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MARKETING & MEDIA DECISIONS

NOVEMBER 1986 • $3.00

DDB NEEDHAM'S
TASK-FORCE APPROACH TO

THE MEDIA MERGER PUZZLE

FINDING A MEDIA JOB
MAGAZINE RATES ON DISK
BRAND REPORT: COPIERS

DDB NEEDHAM WORLDWIDE
Advertising

Los Angeles' Spero,
Chicago's White

Detroit's Mancini
New York's Thompson

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MARKETING & MEDIA DECISIONS

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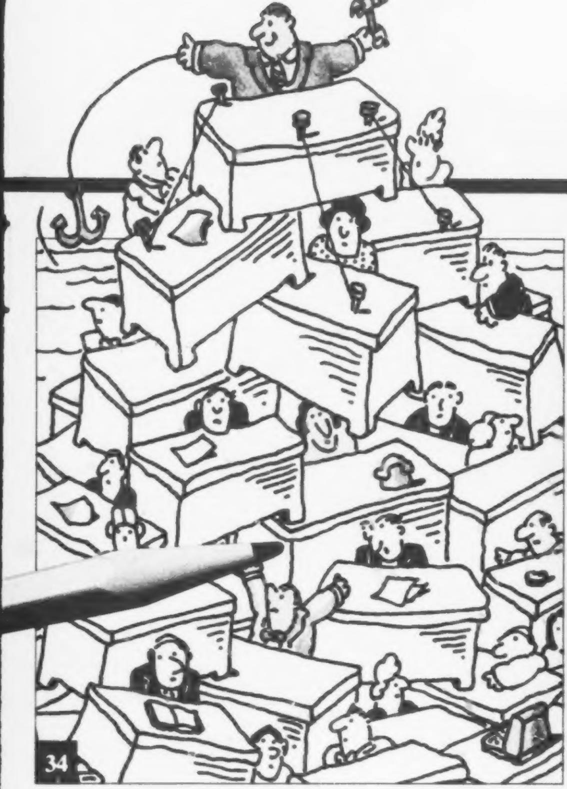
Cover photograph by Steven Begleiter



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UPDATE

IS OPRAH WINNING THE SHOW?

It all depends on who's answering the question. The folks at Camelot Entertainment, sales arm for King World's *Oprah Winfrey Show*, are pleased with the lady's first numbers. Some outside sources, though, say proceed with caution.

"In Nielsen's 12 overnight markets, for the first two weeks (September 22-October 3, 1986), she's number-one in 10 of them," gloats Ric Levy, Camelot's president. *Oprah*, which appears in 134 markets, averaged a 5.5 and 5.4 rating for her first two weeks in the 12 metered markets.

Is *Oprah* the "*Donahue*-eater" she was touted to be? It's hard to say. For starters, the two shows compete head-on in only three of the overnight markets: Denver, Los Angeles and Atlanta. In New York, for example, *Oprah* airs at 10 a.m. while *Donahue* moved this season to 4 p.m.

There's more than one way to look at Oprah*'s early numbers.*

In Denver *Oprah* trails *Donahue*'s 6.2 rating/31 share with a 5.4 rating/27 share. But in Atlanta, *Oprah* pulled a 7.1/31 to *Donahue*'s 6.9/30. And finally in Los Angeles, *Oprah* did a 7.8/24 to *Donahue*'s 5.8/18.

If it looks like *Oprah* is clobbering *Donahue*, look again, advises John von Soosten, vice president of programing for Katz Television. Katz is advising his own client stations to take a look at the effect of both programs on the station's broadcasting day. For example, von Soosten thinks that *Donahue* actually builds audience for stations, while *Oprah* appears to lose audience.

In Los Angeles, for example, *Oprah*'s 7.8/24 rating for her first week out looks much better than *Donahue*'s 5.8/18 at first glance. But von Soosten says dig deeper and look at the audience bases both programs come off. *Oprah*, which airs on an ABC affiliate in Los Angeles, follows *Good Morning, America*, which did a 9.7 rating

Fruit Juices Media Expenditures for 1985 (000)

Brand	Total	Mags	Net TV	Spot TV	Newspapers	Sunday Mags	Cable TV	Outdoor
Citrus Hill	$15,004.0	–	$8,290.9	$6,372.9	–	–	$340.2	–
Dole (pineapple)	2,637.6	35.7	–	2,520.6	81.3	–	–	–
Minute Maid (orange)	8,735.3	840.5	7,496.8	304.9	46. 3	–	46.8	–
Motts	2.3	–	–	2.3	–	–	–	–
Ocean Spray (grapefruit)*	3,740.8	–	–	3,496.8 **	244.0	–	–	–
Seneca	1,098.6	948.2	–	148.6	1.8	–	–	–
Tree Top	3,660.4	1,856.1	1,742.7	51.1	6.4	–	–	4.1
Tropicana (orange)	9,217.2	590.8	–	8,282.7	251.6	92.1	–	–
Welch's (grape)	253.0	191.4	21.0	3.3	37.3	–	–	–

Source: Leading National Advertisers; Newspaper figures compiled by Media Records *LNA breakdown not available **provided by Ocean Spray

This corrected media expenditure chart replaces the one in the September fruit juice "Brand Report."

AS THEY SEE IT

MEDIOLOGY

by Ron Kaatz
Senior vice president,
J. Walter Thompson;
Associate professor
Medill School of Journalism,
Northwestern University

THE WINDS OF TV PRICING

In the 1976 movie *Network*, Howard Beale goes to a window and yells out: "I'm mad as hell and I'm not going to take it anymore!"

Howard's words have been echoed many times over by advertisers frustrated by network television prices. But in most cases, they found little more relief than did Howard's screams into the wind.

Today, forces are working in favor of the advertiser. For at least the short term, they promise relief from the sharp price increases of the past. Looking further into the future, however, there may be new causes for concern on the television pricing front.

Everyone knows there has never been a relationship between television pricing and the Consumer Price Index. While the CPI averaged a 7% annual increase since 1974-75, prime time CPM's rose nearly 11% a year.

Over this 11-year period, cost-per-thousand tripled from $2.61 to $7.95, while ratings declined 15% from 17.2 to 14.7 (see Table I).

The 1985-86 television season, however, saw CPM's increase only modestly. And upfront 1986-87 prime time CPM's held the line versus a year ago. There are 11 indicators that this should be the start of at least a short-term trend to relief from sharp year-to-year price hikes of the past.

Network pricing is determined by advertiser demands, the supply of time, and the availability of alternative options.

In past years, supply often could not keep up with demand and alternatives were far fewer than they are today.

Now, however, network inventory is expanding and there is an increasing focus on new options.

For the advertiser, this means a better opportunity to both establish effective media strategies *and* to know they can be executed as planned.

1.More network inventory: In 1965, three out of four network commercials took a full 60 seconds to communicate.

Twenty years later, 95% of all commercials were 30 seconds or less.

The 15-second message, which arrived less than three years ago, accounted for 10% of all commercials in 1985. And by early 1987, one out of every three messages may be a :15. This represents a significant expansion in network inventory available to the advertiser (see Table II).

2.Prime time ratings hold the line: The sharp decline in network ratings that occurred up through the early 1980's has slowed considerably. This has resulted in the "Available For Sale GRP Pool" holding the line.

3.Increased spending in cable and syndication: Between 1984 and 1986, national advertiser spending in cable and syndication increased $428 million, while network tv spending rose only $100 million.

Cable and syndication today provide both additional and alternate opportunities for an advertiser to communicate with his customers.

For every dollar spent in network television at the start of this decade, four cents were spent in cable and national syndication. In 1986, 15 cents will be spent there for each network television dollar (see Table III).

There are 11 indicators which add up to short-term relief from sharp year-to-year price hikes for television.

4.Lower CPM's and more commercials on cable and syndication: Lower cost-per-thousand in cable and syndication is coupled with increased spending in both media. A conservative 25% edge in CPM's would translate into an advertiser's ability to deliver 133 cable/syndication GRP's at the cost of 100 GRP's in network television.

Syndicated properties also carry greater commercial loads than network television does, further adding to the market of avails. The highly rated two-hour *Al Capone's Vaults* special included 26 minutes of commercials. Hoping to reap healthy ad sales from the popularity of Oprah Winfrey, King World has built 14 minutes of commercial time into her hour.

5.Fourth (or semi-) networks: Fox Broadcasting Co. — beginning with Joan Rivers in late night and extending into prime time next spring — is only

Table I
The Increased Price of Prime-Time Network TV 30's

	Average rating	CPM homes	CPM change from prior year
1974-75	17.2	$2.61	—
1975-76	**17.0**	**2.83**	**+ 8%**
1976-77	17.0	3.47	+ 23
1977-78	**17.2**	**3.77**	**+ 9**
1978-79	17.1	4.20	+ 11
1979-80	**17.3**	**4.75**	**+ 13**
1980-81	16.8	4.89	+ 3
1981-82	**15.4**	**5.89**	**+ 20**
1982-83	15.1	6.10	+ 4
1983-84	**14.9**	**7.07**	**+ 16**
1984-85	14.7	7.76	+ 10
1985-86 est.	**14.7**	**7.95**	**+ 2**
%Change	**– 15%**	**+ 205%**	

Source: A.C. Nielsen Co.

Table II
Network TV Activity by Commercial Time

	1965	1975	1985
10 Seconds	—%	—%	1%
15 Seconds	—	—	10
20 Seconds	—	—	1
30 Seconds*	23	94	83
45 Seconds	—	—	2
60 Seconds	77	6	3
	100%	**100%**	**100%**

*Piggyback and individual

Source: TvB from BAR

Table III
National Revenue (millions)

	Network tv	Network cable	Syndication	Cable and syndication as % of network tv
1980	$4,700	$ 50	$134	3.9%
1981	**5,300**	**105**	**186**	**5.5**
1982	5,900	195	237	7.3
1983	**6,900**	**303**	**333**	**9.2**
1984	8,500	492	400	10.5
1985	**8,300**	**637**	**530**	**14.1**
1986 est.	8,600	720	600	15.3

Source: Paul Kagan Associates, Robert Coen

one source of the expanding inventory of video availabilities.

Cable also looks to increase its advertising opportunities, and the cable networks actively are discussing the development of more first-run programing.

6. A Slowing in new product introductions: The dramatic increases in *major* new product introductions slowed as we hit the mid-1980's.

7. A growing local focus: As a result of increased promotion, distribution and media costs, advertisers have sought significant local pockets of marketing opportunity. This has increased the focus on regionalization and the use of spot television.

8. Holding the line on program costs: ABC, CBS and NBC often tried to rationalize some of their price increases as the result of soaring program costs. Today, the networks have publicly gone on record to announce their many cost cutting moves.

9. A stable Consumer Price Index: After the record double-digit inflation of the late 1970's and early 1980's, the Consumer Price Index has settled in the low single digits. With marketers of consumer goods and services restraining their own price increases, large network television rate hikes are no longer tolerated.

10. A cautious advertising environment: Uncertainty as to the future economy has caused many advertisers to hold the rein on budget increases. And more than ever, agencies and advertisers are simply saying "No" to excessive network price increases.

11. A willingness to try the new: Past network rate increases coupled with today's growing number of options have created a far greater willingness on the part of many wise advertisers to actively seek alternative options.

All signs indicate that marketers can expect network rate increases in the near-term to be tempered by the hard facts of greater commercial supply, lower advertising demand and alternative options.

In planning beyond the near-term, however, certain risks may be encountered.

- How will 15-second commercials impact on network pricing if they encourage so many new-to-television advertisers that inventory tightens? Will advertisers, restricted to daytime because of budget restraints, use 15's as their entry into prime time, further tightening its supply (but making daytime even more open)?

- Will network rating declines, which have slowed, pick up again and reduce the inventory of available for sale GRP's? (It takes eight 13-rated spots to deliver the same GRP levels as seven 15-rated spots).
- Could we pay less for *quantity*, but have the *quality* of our communications suffer as a result of increased clutter and zapping?
- Will an accelerating economy and major increases in new product introductions hit as we near the 1988 Olympic/election year?
- How will syndication affect spot prices? The growth in national syndication decreases the availability of local spot positions. Will this focus more advertiser attention on network if spot rates escalate too far, too fast?

Risks remain that may bring a return to the past's tv pricing practices.

- Will the people meter affect ratings, and how will this impact on network pricing?

The next Olympic/election year "Quadrennial Crunch" in 1987-88 will be a critical watershed season for network television pricing, for if rate increases can be held down then, the trend to moderating price hikes will have become more than a short-term phenomenon.

Just as the winds constantly shift, so does the climate of the television marketplace. In this environment of stormy change . . .

We cannot afford not to experiment.

We cannot afford not to innovate.

We cannot afford not to encourage the most original media thinking that acts rather than reacts to changes in this marketplace.

In these ways, advertisers will prosper regardless of which way the winds are blowing. ■

MARKETING

by Larry Kelley

Vice president, media director, Hutcheson Shutze/Atlanta

THE GENETICS OF TARGETING

Advertising impressions will be directed to the following:

- Women, age 25-54
- Household income $25,000+
- College educated
- One- to two-person households
- VALS "Achievers"

Looks familiar, doesn't it? In fact, just about every packaged good brand will have a similar target audience definition.

It seems that the more information available to define a brand's target audience, the more the laundry list of attributes used to define a target audience grows.

Typically, two scenarios follow from a target audience definition as the one outlined above. Let's call them the "Captain Crosstab" and the "We are the World" syndromes.

"Captain Crosstab" assumes that the target audience is comprised of people who fit all those criteria. As our favorite planner cross-tabulates all these demographic characteristics into a single composite, the result is a sample of 20 to 30 people: about the same number of people who have IQ's over 200. In effect, "Captain Crosstab" gets so carried away in the quest for the ultimate target audience that the result is inactionable data.

The other side of the coin is the "We are the World" syndrome. In this case, our favorite planner denounces Captain Crosstab and defines the target audience as: women 25-54. It's actionable. It's reported in all major syndicated research services. It is not likely to miss many prospects, or non-prospects for that matter, with this approach.

Defining a target audience and providing actionable data is not as easy as the industry leads us to believe. We are caught in a trap of largely using demographics to define a target audience. Yet demographics are not always an accurate forecaster of consumer behavior.

Solution. Use the dominant trait approach to targeting. After all, Gregor Mendel did wonders with plants using this theory.

The process begins by using the dominant trait of that demographic attribute that most drives the purchase decision.

For example, in convenience foods, the key attribute isn't age or sex; it's

Exhibit 1
Television Viewership Comparison

	Women 25-54	Persons 1-2 HH	Actual % Point Difference
Quintile 1 (Heavy)	84	117	33
Quintile 2	92	105	13
Quintile 3	106	93	13
Quintile 4	106	91	15
Quintile 5	111	92	19

Source: Simmons 1985

Using dominant traits to define a target can have a dramatic effect on the choice of tv dayparts that meet your needs.

household size. Convenience foods are purchased largely by people in one- to two-person households.

By driving from this dominant trait, the media selection would be significantly different from using the traditional age/sex definition. As shown in Exhibits 1 and 2, magazine readership and television viewership have opposite trends for these two groups. Magazine readership is strong among women 25-54, while television is strong among people in one- to two-person households.

By using a dominant trait approach, a major media decision has been altered. And its intended result is improved.

Beyond this decision, let's assess the impact of this focus through television daypart selection. As the dominant trait model (below) demonstrates, adjusting television dayparts for a dominant trait can significantly alter daypart selection to reach a target.

Eventually, age/sex can be used for rating projection and analyzing post buys. This makes sense since the larger base allows for less rating variation than could be attributed to sample size alone.

The point is that by the time we use an age/sex definition, our purchase parameters have been tightly defined. The strategy and execution are woven together.

The next time a media plan crosses your desk with a montage of demographics listed under target audience, pause and reflect as Mendel did in 1865. You may discover the genetics of media planning. ■

Exhibit 2
Magazine Readership Comparison

	Women 25-54	Persons 1-2 HH	Actual % Point Difference
Quintile 1 (Heavy)	113	76	37
Quintile 2	109	88	21
Quintile 3	100	98	2
Quintile 4	97	105	7
Quintile 5	81	130	49

Source: Simmons 1985

Dominant-Trait Model

Daypart	Women 25-54 CPM	1-2 person household adjustment	Adjusted CPM	Index
Morning	$10.40	118	8.80	100
Daytime	$8.80	91	9.70	110
Prime	$18.30	98	18.70	213
Late Fringe	$15.60	147	10.60	120

Source: Nielsen

MAGAZINES

by Don Cole
Vice President, media director, W.B. Doner and Company/ Maryland

ANOTHER VIEW: RATE BASE CUTS

It seems that hardly a week goes by when we do not hear of a company's new management team selling off unprofitable divisions or making sharp cuts in overhead. Invariably, *Business Week*, *Forbes* and *Fortune* run favorable stories on this interesting "turnaround situation." The stocks of these companies usually tack on a few points.

The above scenario is in direct contrast to how we in the media business view a magazine's cutting of its guaranteed rate base. The knee-jerk reaction from many in the media community often is, "The book must be in trouble. Let's take it off our recommendation."

Admittedly, rate base cuts can be an early warning signal of a publication's terminal illness. In recent years, however, my own observation has been that rate base cuts are generally a healthy sign indicating a return to sanity on the part of the publisher.

Many books work very hard to pump up their circulation by an extra few hundred thousand. Too hard, in my opinion. The expense of buying this marginal gain in circulation is often enormous. You are also creating a monster that has to be fed annually. Today, a few bold and canny publish-

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10, 11 **Seattle** • Stouffer Madison Hotel

JANUARY
*13, 14, 15 **Boston** • The Copley Plaza
20, 21 **Philadelphia** • Wyndham Franklin Plaza
27, 28 **New Orleans** • Marriott Hotel

FEBRUARY
*3, 4, 5 **New York** • Marriott Marquis
*3, 4, 5 **San Francisco** • Hyatt on Union Square
18, 19 **Atlanta** • Hotel Tower Place
25, 26 **Cincinnati** • Hyatt Regency

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ers are realizing that it is simply not worth feeding the meter anymore. Inevitably, the circulation that you purchase via large premiums or deep discount subscriptions will come back to haunt you with high rates of turnover.

With a lower, more realistic rate base, a publication has something that is appealing to advertisers. His circulation is in strong hands. Readers pay full price for the book because they really want it and they tend to renew fairly well because they enjoy it. This translates to a relatively high level of reader interest which is an excellent environment for your ads.

Also, it is a fair assumption that many of the subscribers lost with a rate base cut were not as upscale as the subscribers that you keep long term. So while the book's audience is lower than before, it provides a purer play demographically.

In sum, our point is this: Do not overreact to rate base cuts. Take them on a case-by-case basis and you will find instances of gutsy publishers biting the bullet now but offering advertisers a solid base of readers and brighter long-term prospects. ■

TELEVISION

by Jerry Hamilton
Senior vice president, director of marketing research, Ketchum Advertising/San Francisco

15-SECOND EFFECTIVENESS

In the mid-1960's, the predominant commercial length was 60 seconds. As :30's became available (first in the form of split :60's), the controversy raged about both the effectiveness of :30's vs. :60's, and the potential impact on television viewers. However, by the early 1970's, :30's had become the industry norm and television remained a healthy medium.

In 1986, advertisers, agencies and the television industry face the same issues, only this time the debate is about 15-second versus 30-second commercials. The :15's originally saw life as part of a split :30, pioneered by Alberto Culver in the early 1980's. As of this writing, :15's are receiving fairly wide acceptance. The three major networks, as well as approximately 60-70% of local stations, accept them. This is not without some penalties, however. Some networks do not allow regional buys, and local stations are charging a premium and generally not guaranteeing separation.

The overall objective of this paper is to examine the pros and cons of :15's. The discussion will be broken into three sections, the first of which will deal with the effectiveness of :15's relative to their 30-second brothers. The second section will deal with the larger issue of what impact the increased clutter of :15's might have on television as an advertising medium. Finally, we have provided Ketchum Research's point of view on the use of 15-second commercials.

Effectiveness of :15 commercials: The key issue is the communications effectiveness of :15's versus their cost. We believe there are three components of ads which contribute to effectiveness and can be measured:

- Intrusiveness
- Persuasiveness
- Message communication

The first two components, intrusiveness and persuasion, are relatively standard measurements; the methods change slightly between research systems/suppliers but the basic assumptions are similar. Message communication is a more subjective measure and more difficult to quantify. However, in terms of industry findings, the following is the case:

1. *On average, :15's seem to be about two-thirds as intrusive as :30's.* The recall norms differ somewhat by testing method/supplier (see Table), but in any event :15's are at minimum 62% as intrusive as :30's on average. It is interesting to note that this is approximately the same relationship as between :30's and :60's, i.e., :30's are about two-thirds as intrusive as :60's.

2. *On average, :15's are at least two-thirds as persuasive as :30's.* Again the numbers vary by method/supplier (Table), but :15's seem to be even closer to :30's on persuasiveness than on intrusiveness.

3. *There is evidence that :15's do not penalize message communication at least in terms of a number of ideas.* Mapes & Ross has found that 15-second cut-down versions of :30's communicate approximately the same number of ideas on average. This belies the fact, however, that the depth/detail of message must usually be less in a :15 versus a :30 by simple virtue of the time difference. A proprietary study conducted by a Ketchum client also indicates that changes in consumers' images of a product were more positively affected by :30's than :15's. The difference between :30's and :15's may be somewhat like the difference between an original novel and the *Reader's Digest* condensation — the condensed version must cut out some of the flavor and detail of the original. However, the basic high point of the plot can be communicated in the shortened and simplified version.

The conclusion is that, on average, :15's are more than half as effective as :30's. However, each :15 does impact consumers to a lesser degree than each :30 in an absolute sense and message potential *is* lowered.

Effect of :15's on television clutter: When tv made the transition from :60's to :30's, doomsayers predicted the demise of the medium, claiming that consumers would be turned off by the increased clutter. This did not happen and viewing continued to grow and the medium became an even more effective selling arena.

No one really knows what might happen if, in the extreme case, :15's were to become the industry norm. To date, research on these issues has involved test environments which do not simulate what the long-term effects of increased numbers of :15's might be. However, there have been findings which do bear on the issue.

1. *Most viewers do not appear to be able to judge the length of a commercial.* Viewers tend to judge the length of a commercial break by the number of commercials. Increasing the number of commercials within a pod while maintaining the length of the pod may create the perception that additional time is being devoted to advertising. ("Shorter Units: Risk-Responsibility-Reward," presented March 12, 1985 to the ARF by ABC/JWT.)

Table I
Summary of :15 Commercial Effectiveness

	:15 Commercials Index*	
	Intrusiveness	Persuasion
Mapes & Ross	62%	87%
McCollum-Spielman	80%	92%
Burke	70%	69%

*Index 100=Average for all :30's

Source: Ketchum Advertising

2. *When specifically asked, viewers would prefer to see fewer commercials, with each one longer.* The question was asked with the stated assumption that the amount of time devoted to advertising would stay the same. (*Bruskin Report*, No. 136, February 1986.)

3. *Viewers' retention of brands seen advertised has been falling since 1965.* In 1965, when :60's were the norm, 26% of consumers were able to name the brand in the last commercial seen less than four minutes after exposure. In 1974 when :30's were the norm, the percentage had dropped to 17% (Newspaper Advertising Bureau, *Media Industry Newsletter*, October 22, 1979). Part of this decline may be attributable to an increase in the absolute length of time devoted to advertising, but the reduction in length of individual commercials must also be a factor. Thus, as commercials become shorter and more numerous, long-term retention may become even lower.

All of these findings raise the possibility that the increased use of :15's could, in the long run, harm commercial television by increasing audience irritation and ultimately driving viewers away. In fact, this was the prognosis of many experts back when the shift from :60's to :30's began. While the negative effect of this previous shift in commercial format does not seem to have harmed commercial television, the competitive situation in the 1980's differs substantially from the 1960's-70's. Consumers today have more options to commercial television with the advent of cable, pay stations, VCR's and even public television. These technologies have already eroded commercial television audience to some extent and one would expect that as their availability increases, the erosion would continue.

Implications: Ketchum Research believes that :15's can be an efficient, effective advertising commercial length. The use of :15's must, however, be evaluated on a client-by-client basis — *there is no universal rule*. The decision whether or not to use :15's should be based on strategic and creative objectives for a specific client. In addition, :15's should be viewed *not only* as an alternative to :30's but also as a format which might work in conjunction with :30's or :60's.

While there is no universal rule for the application of :15's, there are some situations where their use makes intuitive sense:

1. *Established brands/reminder advertising.* If the objective of advertising for a particular brand/service is simply to remind people to use it, then :15's are a logical format to consider. This situation would occur most often for an established brand.

2. *To achieve minimum frequency.* If :15's are the only way a client can reach and/or maintain an acceptable level of message exposure (this obviously assumes that the client should be advertising on tv in the first place), then :15's offer a viable option.

3. *Adjunct to an existing campaign.* This use taps into a phenomenon that has been measured for :30's and :60's. It has been documented by Teleresearch that when a :60 has been aired for a period of time before consumers see its :30 abridgement, they often

claim to recall things in the :30 which were *not* in the shorter commercial, (i.e., things that were eliminated when the commercial was abridged). This suggests that an effective use of :15's would be as an abridgement of a longer commercial.

Commercial television implications: While no one really knows what the long-range effect of :15's will be on tv and advertising, Ketchum Media believes the following is likely:

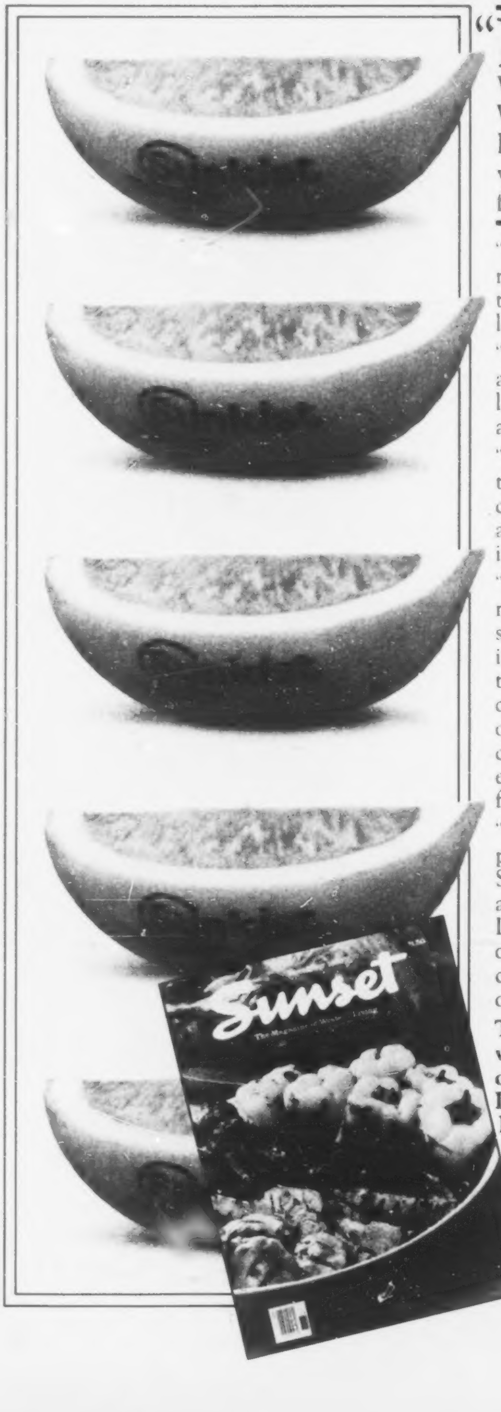
1. *Increased use of :15's will increase the difficulty of effective communication because of lower retention rates*. As the number of advertising messages consumers are exposed to increases, it will become more difficult to keep specific advertising messages planted in the mind of a consumer.

Intrusiveness, persuasiveness and message communication factor into ad effectiveness.

2. *Increased use of :15's will accelerate consumers' switch to alternative media (e.g., pay tv, VCR's)*. As previously discussed, consumers have access to an increasing number of alternatives to commercial television. To the extent that commercial television increases perceived clutter, we would expect to see consumers availing themselves of these alternatives with greater frequency. We suspect that this would be particularly true of the younger generation which is growing up with the plethora of alternatives to commercial television and thus is probably not only more knowledgeable but less tolerant of clutter.

3. *Fifteens could change the complexion of network programing*. Assuming that consumers will perceive increased clutter as a result of :15's, it seems possible that consumers could react by reducing viewership of network shows on which the clutter would be most aggravating. In our minds, clutter is less annoying in a half-hour comedy than during a full-length

"Sunset became the backbone of Sunkist's Western lemon campaign."



"Because with Sunset we get both the Western consumer and the Western trade," explains Dave Bernstein, Sunkist vice president for fresh fruit marketing.

"The West is our most crucial marketing area. It has 19% of the U.S. population, 26% of our lemon sales.

"Western food buyers are adventurous. They like to buy large lemons, demand quality and are willing to pay for it.

"So what we do in the West has to be different from what we do elsewhere. We can't just take a national strategy and apply it across the board to all regions.

"The quality of Sunset itself is a major factor in our program's success. The frequency we run in Sunset is another factor, and the merchandising has been clearly a very exciting part of our success. Sunset's merchandising ideas are imaginative, exciting and really capture the fancy of the produce executive.

"Our Western sales over the past three years we've been with Sunset have been increasing at a consistent 10-12% a year. In fact, we are so pleased with our lemon campaign that we're considering expanding it to other products."

To learn how Sunset can work for you in the West, call or write Dick Bristol, Vice President/Advertising Sales Director, Sunset Magazine, Menlo Park, CA 94025. (415) 321-3600.

With
Sunset
you get what
you pay for.

movie. It seems logical that as more and more consumers are exposed to commercial-free movies on pay tv or VCR's, the tolerance for watching movies on commercial tv with continual interruption will decline.

4. *Fifteens will drive up the cost of all television advertising*. The creation of :15 spots will make television an affordable medium for countless new advertisers, i.e., companies who could not previously afford to advertise on television. With a larger pool of advertisers and a limited number of commercial minutes, the media costs would most certainly rise. This may, in the long run, drive the new/marginal advertisers back out of television, especially if other media become more aggressive in response to :15's. This has not yet begun to happen, but may be due to the general economic softness currently being experienced.

5. *Isolated :15's will be priced higher than half the cost of :30's*. Since the television industry is not entirely supportive of isolated :15's, we would expect them to charge a premium, i.e., more than 50% of the cost of a :30. A similar situation exists in magazine advertising, where the cost of a half-page ad is higher than 50% of the cost of a full-page ad. At this time, local stations are charging a premium while the networks are generally not. Other restrictions, however, are in effect limiting their use.

In summary, there are no simple answers for the use of or ultimate impact of 15-second commercials. The decision should be approached in the same manner as all advertising issues, namely by studying the specific situation. We will continue to monitor the impact of :15's on the television industry, but firmly believe that if :15's turn out to be detrimental to the medium, the market will adjust itself accordingly. Therefore, since :15's are becoming available as an additional advertising format, they should be included in our considerations in order to provide clients with the most effective, efficient advertising possible. However, we feel strongly that before making drastic changes in media plans (e.g., from all :30's to a mixture of :30's and :15's), the effect of the change should be tested in the marketplace. ■

Harvest the West first.

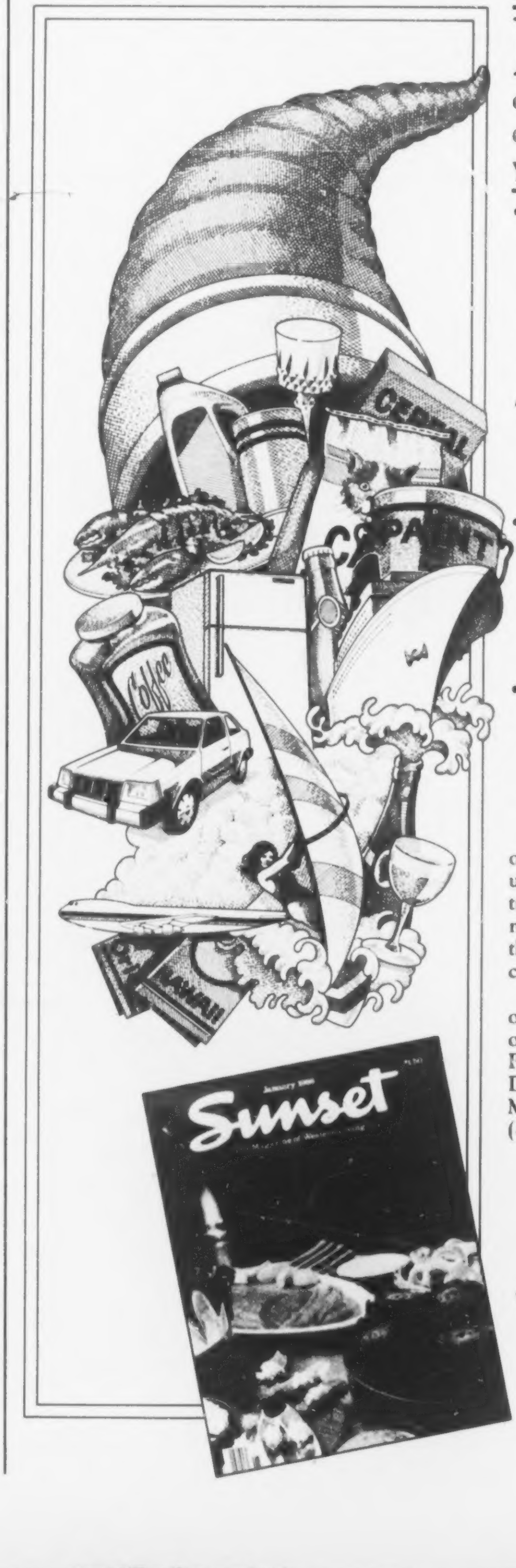
Most likely you'll find that Westerners represent the cream of the crop for your goods or services.

- The West claims the highest consumption indices in the country for 80 major food categories – including top-of-the-line, health and nutrition, ethnic and gourmet foods, bottled water and wines.
- For all types and reasons for travel, Westerners are on the go more often than other U.S. residents – an average of 15% more.
- Westerners use their wheels more. Half (52%) live in 2+-car households. And one out of three Western households sports at least one truck. Both figures are the highest in the U.S.
- The lifestyle may be casual, but the goods are quality. Westerners are more likely to buy silver, crystal, china, plus blenders and food processors than other regions.

Sunset delivers the cream of the cream: 5 million active, upscale Westerners. First to try new ideas and services or new twists on existing ones, they're likely your best customers.

To learn more about your opportunities in the West, call or write Dick Bristol, Vice President/Advertising Sales Director, Sunset Magazine, Menlo Park, CA 94025. (415) 321-3600.

With Sunset you get what you pay for.



BRAND REPORT

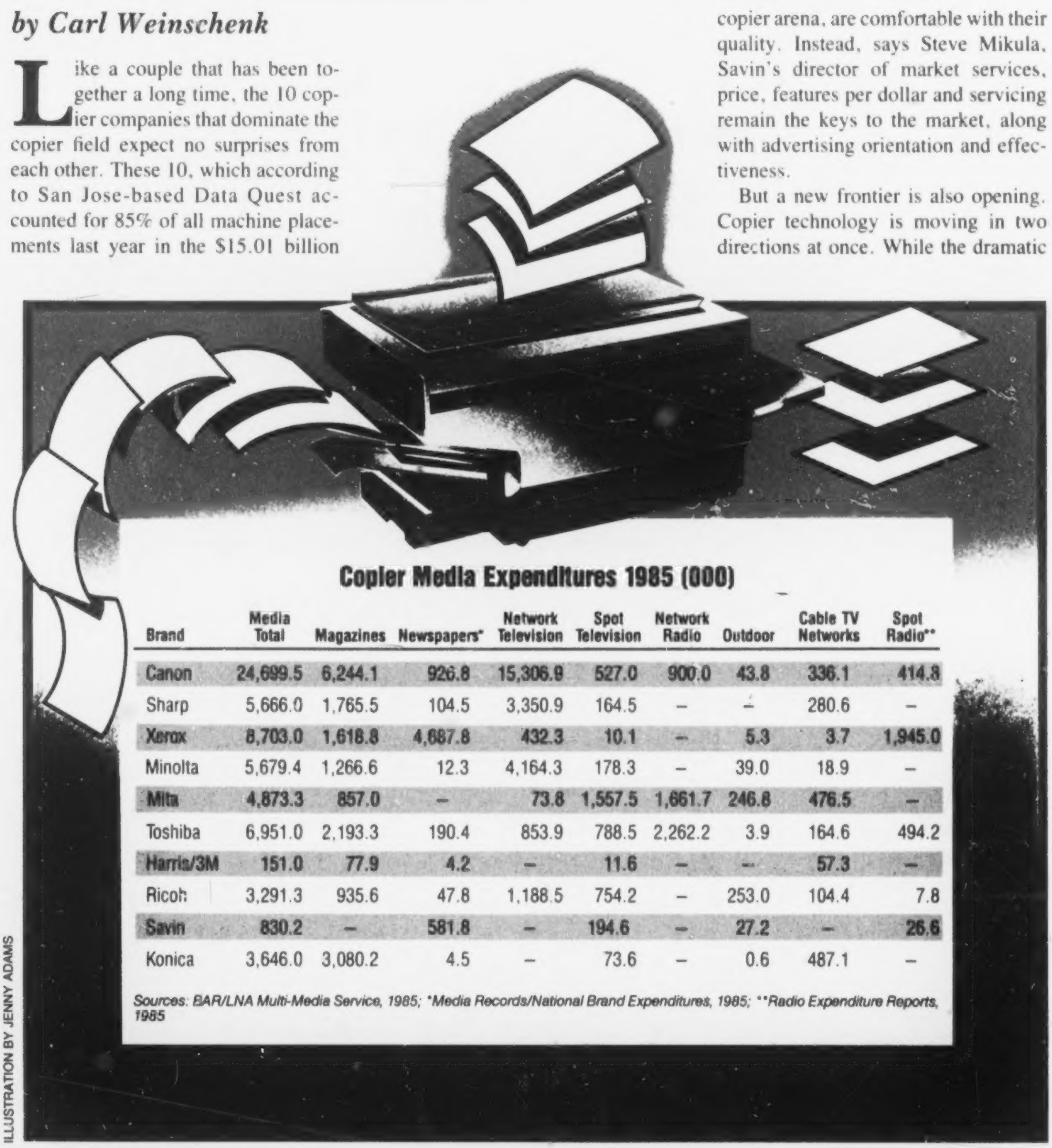
No. 137: Copiers

DOUBLE PLAY!

by Carl Weinschenk

Like a couple that has been together a long time, the 10 copier companies that dominate the copier field expect no surprises from each other. These 10, which according to San Jose-based Data Quest accounted for 85% of all machine placements last year in the $15.01 billion copier arena, are comfortable with their quality. Instead, says Steve Mikula, Savin's director of market services, price, features per dollar and servicing remain the keys to the market, along with advertising orientation and effectiveness.

But a new frontier is also opening. Copier technology is moving in two directions at once. While the dramatic



Copier Media Expenditures 1985 (000)

Brand	Media Total	Magazines	Newspapers*	Network Television	Spot Television	Network Radio	Outdoor	Cable TV Networks	Spot Radio**
Canon	24,699.5	6,244.1	926.8	15,306.9	527.0	900.0	43.8	336.1	414.8
Sharp	5,666.0	1,765.5	104.5	3,350.9	164.5	–	–	280.6	–
Xerox	8,703.0	1,618.8	4,687.8	432.3	10.1	–	5.3	3.7	1,945.0
Minolta	5,679.4	1,266.6	12.3	4,164.3	178.3	–	39.0	18.9	–
Mita	4,873.3	857.0	–	73.8	1,557.5	1,661.7	246.8	476.5	–
Toshiba	6,951.0	2,193.3	190.4	853.9	788.5	2,262.2	3.9	164.6	494.2
Harris/3M	151.0	77.9	4.2	–	11.6	–	–	57.3	–
Ricoh	3,291.3	935.6	47.8	1,188.5	754.2	–	253.0	104.4	7.8
Savin	830.2	–	581.8	–	194.6	–	27.2	–	26.6
Konica	3,646.0	3,080.2	4.5	–	73.6	–	0.6	487.1	–

*Sources: BAR/LNA Multi-Media Service, 1985; *Media Records/National Brand Expenditures, 1985; **Radio Expenditure Reports, 1985*

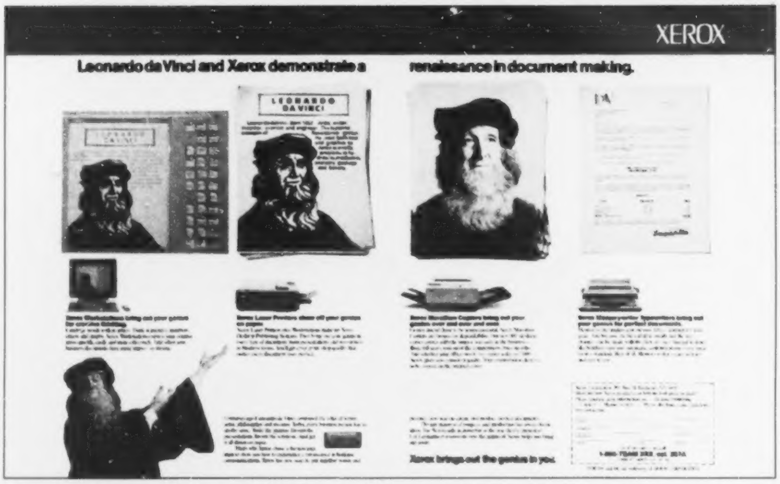
ILLUSTRATION BY JENNY ADAMS

headlines are reserved for breakthroughs, the movement of features downward may offer more substantial news. Pat Mayo, Savin's manager of competitive information, points to a "trickle down" of features that means more for less money to the consumer. The result opens the industry to a whole new line of potential customers.

Data Quest, according to a 1986 report, breaks the copier market into eight segments. At the low end is the personal copier, which makes 1-12 copies per minute, can handle an average volume of 400 copies per month and lists for approximately $1,100. From there, we move up: segment one-A offers 1-20 copies per minute, a volume of 2,000 per month and an average 1986 price of $1,650; one-B, 15-20 copies, 5,000 volume, $2,700; two, 21-30 copies, 8,000 volume, $4,300; three, 31-45 copies, 18,000 volume, $6,320; four, 40-75, 32,000 volume, $9,250; five, 70-90 copies, 65,000 volume, $22,200-$62,900; and six, 91+ copies, 232,000 volume, $43,200-$129,775.

Competition is fierce within this family. The high end is considered saturated, while the middle to low ends, which see most of the activity, are in a state of flux as their markets develop. According to Leading National Advertisers, $63,184,000 was dished out for advertising by copier companies last year. The lion's share — about $50 million — was split almost evenly between magazines and network television, and targets ranged from senior business decision-makers to lower-echelon office managers, most of whom are women, who have a lot of input into the purchase of office machines, and consumers, for new lines of personal copiers. Ads tend to be image oriented rather than model-specific, which makes sense due to the marketers' long list of products.

Interviews indicate that ad expenditures are likely to equal or surpass that LNA total this year. "There are a meaningful amount of sales to be had. No one is going to cut back on efforts," comments David S. Leibowitz, an analyst with American Securities in New York City. "I am expecting the high rate of advertising and promotion spending to continue."

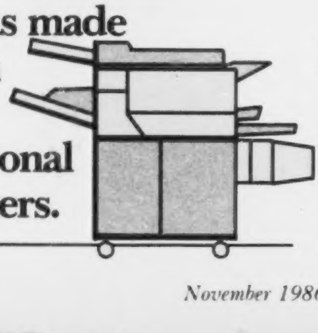

XEROX
Leonardo da Vinci and Xerox demonstrate a renaissance in document making.
Xerox brings out the genius in you.

Opening page to this spread offers to bring out the "genius" in you.

Of the top 10 companies by unit placement, eight are Japanese. This, of course, makes the position of the yen a vital topic. The currency's strength in the last six months, according to Brian Fernandez, an analyst for Nomura Securities in New York City, is causing an increase in landed costs and therefore is affecting profit margins. "They are not as aggressive as they'd like to be," Fernandez adds.

Bruce English, a research analyst with Data Quest, points out that prices rose in February and June of 1986. So far, he says, there has been no significant impact on consumer prices, and a rumored small third round of hikes, if indeed it comes to pass, may be weathered without costing the consumer. He theorizes that the real danger would come with a fourth hike. "You might be talking about significant impact," he warns.

Canon dominates in placements partly because of the inroads it has made with its personal copiers.



New features, meanwhile, could further fuel price hikes. One of the flashiest trends in copier features is color. Data Pro of Delran, New Jersey, answers consumer and vendor questions on copiers, and inquiry totals are believed to provide an accurate picture of what products are hot. According to consultant Juneann Kasper, generic questions on color copiers are running a strong third behind specific questions regarding two copier models, the Xerox 1012 and the Canon 8570.

Tom Veilleux, the senior editor of *The Office* magazine, feels that color is the battleground of the future. His sentiments, while not universal, are echoed in many quarters. Still, English indicates that color "is taking its own sweet time" about providing the impact it was expected to have.

Making copies fast is still a key sales point. Despite the state of the yen, Veilleux expects the Japanese to make a play for the high speed, high volume market. This is the only area now dominated by the Americans.

There is also a move by companies toward more modular units. This allows the addition of new features as the market and its needs evolve.

And then there is the market's low end. The personal copier segment is now dominated by Canon. It is also a major reason for Canon's lead in copier placements. This is one of the few unsaturated segments of the market, and at the bottom end, according to Toshiba spokesman John Lesser, "the number of users is unlimited." Many

LEAD STORY.

Here's one for the books. Mendelsohn reports that for every advertising dollar spent, HBR delivers more affluent executive, managerial and administrative adults than Forbes or Fortune. If you want to reach the people at the top, reach for the Review.

Executive, Managerial, Administrative Adults Readers per $/4-color Source: MMR 1985 (1986 rates)

Harvard Business Review
New York (212) 972-0740
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marketers have added personal copiers to their product lineups, hoping to copy Canon's success.

The term personal copier, of course, is a bit of a misnomer. These units are designed for small and home offices. The trick — and the thing manufacturers are banking on being able to do — is to convince potential users that investing in such units beats running out to the drug store or the library to make copies. To some extent this is a market manufacturers may jump on by default: It takes a lot of personal copier sales to equal the profit from one segment-six machine.

Logically, a push to sign major corporations — those in the Fortune 1000 — will continue. The big organizations are seductive places for copier salesmen and pitchers because of the chance of selling a variety of copiers at each location through one central buy.

On the horizon is a blurring of the traditional lines between copiers and other technologies. At least two companies, Toshiba and Sharp, have taken their facsimile machines off the shelf and given them new attention.

CANON USA

These are good days for Canon USA. They are, by far, the leader in placements; Jack Klugman is helping them to make connections with lower-end consumers; and they are expanding upward into more sophisticated segments. Canon now holds 28% of the field, says Data Quest, and placed 299,600 in the July-June 1986 measurement period. (Data Quest placement figures are combined gross sales and rentals.)

The company is generally credited with being the force behind the creation of a whole new segment of copiers. The use of a cartridge on small machines made units reliable, relatively cheap, non-work-intensive and non-intimidating. Suddenly, the idea of a small office having a copier was not only feasible, but cost-effective.

Hajaime Harai, the head of corporate public relations for Canon USA, indicates that, for the time being, the company is practically alone in the true personal cartridge copier world, with about 90% of the market. He expects tougher competition to arrive soon. According to Hirai, many of the other small copiers on the market are not quite as easy to use, though the size and price may be comparable. "Other companies," he says, "introduced similar sized and priced copiers, but they still need periodic maintenance. So it's harder for them to expand their market share."

Now Canon has personal copiers for every personality.
Canon

Canon is gradually expanding its line of personal copiers.

The cartridge rationale can be seen filtering upward to the more business-oriented segments in the form of stripped machines that can be outfitted with modules offering options, making them viable for a score of widely divergent uses.

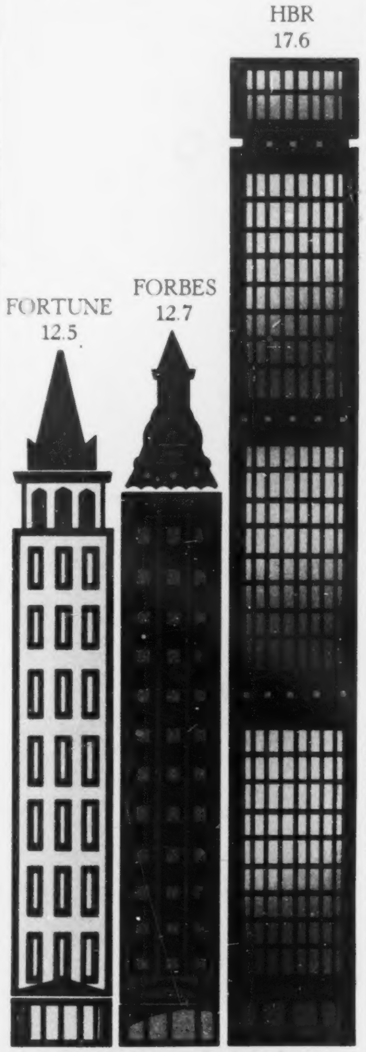
The people at Canon's advertising agency, DCA, the advertising unit of Dentsu, quickly make the point that the company is more than a personal copier supplier. It is true that more of its placements are made on that level, but strength is found in varying degrees in the first four segments of the market. Recently, segment five was breached, making Canon one of the first among the Japanese to move to higher volume machines, long a preserve of American manufacturers.

Canon's share is more than double its nearest competitor, Sharp, which placed 113,900. It should be remembered, however, that the dollar comparisons between other companies and Canon will be closer than the placement percentages because personal copiers are less expensive.

Mariko Kobayashi, DCA's senior account executive for Canon USA, reveals that the company "concentrates on network and puts emphasis on the

SKY HIGH.

The one publication read by more affluent professional/managerial men in companies with more than 1,000 employees isn't Forbes or Fortune. It's HBR. If you want to reach the people at the top, reach for the Review.



Men, Professional/Managerial, 1,000+ Employees
Readers per $/4-color Source: MMR 1985 (1986 rates)

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new products at the time of their introduction'' when scheduling media.

Among the television buys for the year, said Harai, are *Monday Night Football*, other sports and the network evening news. Kobayashi indicates that the principal print buys include the *Wall Street Journal, Business Week, Time, Fortune, Forbes, Working Woman* and the trade books. Kobayashi jokes that the ads were ''all over, in just about everything.'' Radio is not being used in the current campaign, however. Billboards, according to Hirai, are part of the strategy in New York, Chicago, Los Angeles and Atlanta.

In addition, Canon USA just broke an $8 million advertising campaign for the personal cartridge copiers in October. It features stalwart Jack Klugman along with actress Beckie Price. Her role as Klugman's agent should appeal directly to women, a strategy that is getting more common as they're being shown to have great input in decisions and first contact with visiting salespeople.

Kobayashi adds that the creative for the NP division — higher segment copiers — is ''more product specific. They tend to highlight features of the key products.''

Certain things about the Canon advertising philosophy emerge. The first is money. Ritter points out that it appears Canon has an ''enormous'' advertising budget. The fact is testified to by Kobayashi, who adds that one of the company's aims is to outspend the competition. Hirai said ''Canon is pretty much an advertising oriented company. It's that way with the cameras, too. We have had good experience in advertising.''

Kobayashi notes that Canon ''advertises to support dealers as well as to inform consumers.'' She says the company ''is looking for consistency in looks and is carefully targeting to specific markets . . . Advertising is used to develop new markets and, by developing new markets, they can supply the goods to them.''

SHARP

Sharp, whose 113,900 1985 placements leave it second in the United States to Canon, displayed its divergent and wide-ranging reach at the National Office Machine Dealers Association Show in July by introducing machines in segments as far afield as the personal copier category and segment four.

ORIGINAL BY RAPHAEL
COPY BY SHARP
SHARP

Sharp uses Raphael to demonstrate its color capabilities.

The company, which extends into fifth segment, obviously has a total market coverage philosophy. Dan Infanti, the manager of corporate communications and marketing, confirms that Sharp is aiming ''at everyone from the ma-and-pas to the Fortune 1000 companies.''

Data Quest credits Sharp with 11.0% of the market. Sharp has taken a ''unique'' step in attacking the low-end office equipment products segment by establishing a personal office equipment division. It will use major retailers worldwide to create channels of distribution to the low-end copier and office product market.

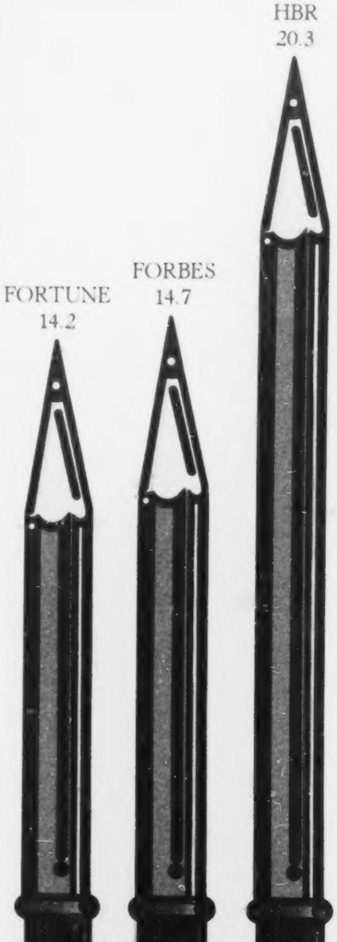
This is a prime example of the burgeoning potential seen in the low-end office equipment market. Many insiders feel that virtually all of the potential users at the upper echelons already have machines. The fight at those levels is to offer good enough deals or feature packages to attract businesses currently using product from another vendor. At the low-end, however, the market is not as established.

Copiers are among the product groups mentioned as supported by Sharps's $20 million fall and winter ad campaign via agency Scali, McCabe, Sloves.

The low-end line will be featured on television through June of next year via major exposure with ABC television

TAKE NOTE.

Mendelsohn points out that for every advertising dollar, HBR delivers more affluent professional/managerial men aged 35-49 than Forbes or Fortune. If you want to reach the people at the top, reach for the Review.



Men, Professional/Managerial, Age 35-49
Readers per $/4-color Source: MMR 1985 (1986 rates)

Harvard Business Review
New York (212) 972-0740
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and an agreement with National Football League Films. The full-color copier ads, like Xerox's, will feature a legendary artist: Raphael.

A continued dedication to cooperative and yellow pages advertising will be financed independently of the $20 million figure.

Print advertising will include placements of as yet undetermined copiers in the major business and trade books. Consumer magazines will play a big role. Periodicals including *Venture*, *Time*, *Forbes*, *Fortune*, *People* and *Sports Illustrated* will carry ads heralding Sharp products.

XEROX

When Xerox switched agencies in June, leaving Needham Harper Worldwide for Ted Bates, the move was punctuated with an ambitious new advertising campaign.

The "Team Xerox" concept will be pushed with as much as $80 million in advertising during the next year. The large amount, of course, should not be compared to advertising outlays by other companies, most of whom quote expenditures on copiers alone. Bates will get about half of the $80 million. The rest will go for direct mail (Lowe Marschalk), recruitment (Bernard Hodes) and in-house projects.

The "Team Xerox" approach is significant as a likely harbinger of things to come as office integration becomes a growing trend and eventually an across-the-board reality.

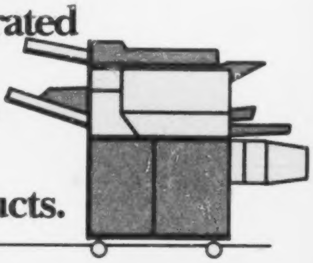
Xerox has a strong presence in midsize machines and is the predominant supplier of large units. Peter Hawes, spokesman for the company, says the advertising target is senior and middle-level management, MIS and data processing professionals, small business owners, secretaries and purchasing agents.

Data Quest estimates that Xerox collected 10% (107,700) of the placements made as of June 1986, putting them behind Canon and Sharp.

The same amount is being spent this year as last on advertising, said Hawes. The television portion of the campaign got off the mark on August 20th with a 60-second spot on *This Week With David Brinkley*. Three days later, a three-page advertisement appeared in *USA Today* and the *New York Times*. Less than a week after that, the insert ran in the *Wall Street Journal*. Hawes indicates that ads in newsweeklies and business and trade publications and "some individual, special things" will follow. There is no budget for radio during the current campaign.

The print ads say "Team Xerox"; the broadcast spots will just imply that message. The strategy, says Hawes, is to ballyhoo "the entire office integration market: copiers, printers, work stations" as an interconnected team.

"Team Xerox" may be the wave of the future with its integrated ad angle and products.



The introductory 60-second spot features actor John Wood as Leonardo Da Vinci. It includes a desktop publishing system, memorywriter electronic typewriters and marathon copiers. The campaign's theme is "Xerox brings out the genius in you."

Michael Kirby, Xerox corporate advertising and promotion director, notes, "The new advertising positions Xerox as an innovative office product company and one whose products make it easier for everyone to be a genius at creating and producing better documents. Although new, the campaign is rooted in the Xerox heritage as the friendly, creative problem solver, always accessible to the customer."

MINOLTA

Minolta gathered, according to Data Quest, 6.8% of the placements as of June 1986. According to information supplied by their agency, Bozell, Jacobs, Kenyon & Eckhardt, the company's predominant strength is in segments one-A, one-B, two and three.

They recently entered segment four. The target audience is adults between 25 and 54 years of age, with a 60/40 male to female ratio.

Minolta will spend about $17 million on advertising during fiscal 1986. Officials broke the amount down this way: Spot television will command 46%, network radio 12%, consumer magazines 35%, trade magazines 1.5% and newspapers 5.5%. The scheduling will favor January through July and September through November buys.

Newly introduced products are featured in the print ads. Product orientation determines which publications are used, though it has become a practice, according to its agency BJK&E, to break new advertisements for new products in *USA Today*.

BJK&E reports that the new campaign uses a theme of friendly visitors from space to dimensionalize and humanize the equipment.

MITA

Officials at HCM, Mita's U.S. advertising agency since February of 1984, are unabashed in their enthusiasm and seem to have the figures to back it up. The product they sell has, they say, enjoyed 60% annual growth for each of the last five years. During that time, Mita has moved from twelfth to fifth place in the placement rankings.

Mita is a company with a difference. It is the only one in the top 10, placement-wise, that only makes copiers. This is a double-edged sword: The downside factor is lack of recognition; the positive element is that once people are aware of the difference, it becomes a tremendous sales point.

The company enjoyed 6.6% of the placements says Data Quest. The majority were sold in segments one to three, with a small amount in four.

James E. Rosiello, HCM's vice president and management supervisor, explains that the aim is to capture adults in the 25- to 54-year-old age bracket, the professional and managerial class. Like Harris/3M, special attention is paid to women. "We say women are 50%, but it could be more," adds Rosiello.

The orientation of the advertising is summed up by the "All We Make Are Great Copiers" tag line. The budget was about $5 million last year, but is expected to grow by about $1 million in 1987. While final plans have not been solidified, Rosiello reveals that next year's advertising should not differ significantly in style or media from this year's campaign, with the exception of a few longer spots to accompany the 10-second ads now in use.

The key markets are New York, Chicago, Los Angeles, Atlanta, Dallas, Houston, Boston, Detroit, San Francisco and Washington, D.C. Last year's budget saw 36% go to radio, 14% to print, 39% to broadcast television and 10% to cable. An unspecified amount of billboard advertising was done in the major markets.

The majority of the broadcast television spots will be on late local news airing on network affiliates. The balance will be shown during spots programing. Cable ads will be mostly on CNN. Cable sports will be addressed with some exposure on ESPN and more on WTBS. The WTBS buy, said Ro-

The Kiwanis Magazine Readers
Business Executives . . . Professionals . . . Community Leaders

Now You Can Meet Them Head On Through The

KIWANIS MAGAZINE SPEAKERS BUREAU

Kiwanis magazine now offers, as a merchandising service to advertisers, access to our readers in the best possible environment -- face-to-face, where it counts the most — their own communities.

Your national marketing staff, public relations personnel or others are invited to avail themselves as guest speakers at Kiwanis' community meetings as a complement to advertisements in Kiwanis magazine.

Join Our Charter Participants . . . U.S. Postal Service . . . American Bankers Association . . . American Council of Life Insurance . . . Conoco Inc. . . . American Medical International . . . AMICARE . . . Chang Laboratories, Inc. . . . Endless Vacation Travel . . . Citizens Against Government Waste . . . in presenting valuable programs on financial planning, travel tips, trends & developments in business, whatever your field of expertise.

We Ask Only

1) That there be no solicitation of members as part of any presentation
2) That presentations and programs be provided at no charge to either Kiwanis International or its participating clubs

Take Advantage Of A Unique Opportunity

Pass your or your organization's message on to our members — Personally

Call or write today for more information
Pat Hatcher, Advertising Director
Kiwanis Magazine
3636 Woodview Trace
Indianapolis, IN 46268
(317) 875-8755

siello, will be on broadcasts featuring Atlanta teams.

The print advertising will feature "junior pages" in the *Wall Street Journal*, and ads in women's magazines such as *Working Woman*, *New Woman* and *Savvy*.

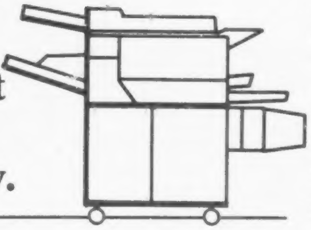
A great emphasis is being put on radio. Drive time and weekend day spots will be heard on CBS, ABC Information, ABC Direction, Katz Touchstar, United Stations II and Mutual Broadcasting. Syndicated shows with Mita sponsorship will be *Bob Costas' Sports Flashback* and *The Wall Street Journal Report*.

Rosiello feels that a 10% placement share is not out of the question in the near future. He points to a survey conducted by the CA Pesto Company that said Mita's total awareness rate rose from 34% to 43% between June 1985 and June 1986.

TOSHIBA

"Toshiba is a mid-range copier company," says John Lesser, president of his Lesser & Associates and Toshiba's spokesman. According to Data Quest, it has about 5.0% of the market, with machines in segments one to three. He indicated that the aim is to capture 10% in the near future. "The increase in sales," he said, "is due somewhat to a change in the person we are aiming at. Five years ago it was the owner of a small- or medium-sized business. Now it is larger offices, larger companies. We are aiming at the corporate decision-makers, the central decision-makers."

New management led Savin back into advertising, both in print and on tv.



Another change at Toshiba — and one symptomatic of the industry — is the launching of a facsimile business and its placement within the copier division. Lesser said that Toshiba spent about $6 million on advertising last year. The figure, he indicated, will jump to about $10 million this year, with about 95% of that going to copiers and the remainder to facsimile.

Toshiba's ad money will be spent, in order of importance, on television, print, direct mail, radio and outdoor advertising via agency NW Ayer. The broadcast television buy will focus on evening news on major channels. The cable advertising will hit CNN.

Print expenditures will be in the traditional books and newsweeklies, including *Time*, *Newsweek* and *Time's Business Edition*. Radio expenditures will center on network stations during morning and evening drive times. The direct mail aspect of the marketing, which Lesser says is responsible for much of Toshiba's success, is coordinated through dealers by Smith, Hemings & Gosden, a division of Foote, Cone & Belding.

Finally Lesser indicates that outdoor advertising will be done in at least five major markets: Los Angeles, New York, Atlanta, Chicago and Dallas.

"Toshiba has been on a roll the last few years," says Lesser. "They had a lot of good luck, a lot of things have fallen their way. They have increased their presence tremendously."

HARRIS/3M

A new entry — sort of — in the copier marketplace is Harris/3M Document Products. It was christened at the beginning of the year. The Atlanta-based organization initially employed 2,500 people. It is an equally owned joint venture of the Harris Corporation and 3M's Information Systems Group. The company has indicated that it expects to do about $400 million in sales during its first year.

Of course, the new entity is not starting from ground zero. Last year, 3M's copier division made 4.8% of the placements reported to Data Quest.

The new company originally offered six facsimile machines and nine copiers. The copiers are in the middle- to low-level segments. The initial advertising, which ran during the early sum-

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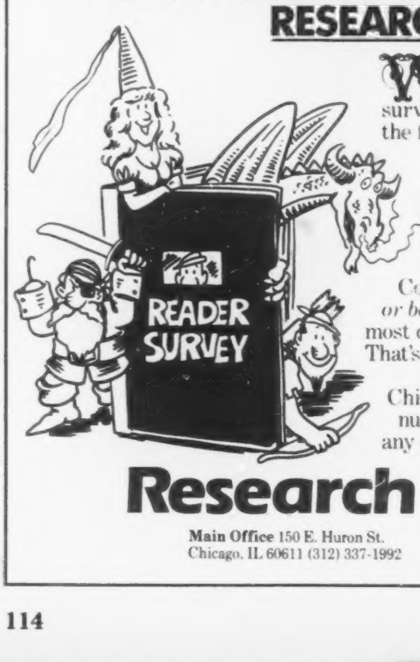
ADULT MEDIA BUYERS COUNT ON RESEARCH USA



When a publisher shows a reader survey conducted by Research USA the figures aren't fairy tales.

They're honest, projectable data you can base your buying decisions on.

Our surveys meet the highest criteria because they're built on unbiased samples, non-leading questions and honest tabulations. Consistently high response rates (*50% or better*) ensure their acceptance by the most demanding professional standards. That's no fairy tale, either, it's *a guarantee!*

If you have any questions, call our Chicago, New York, or Los Angeles numbers and we'll be happy to discuss any one of our studies with you.

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mer, concentrated on introducing the company to the public. The catch phrase was "Try Me."

Last year, according to marketing communications manager Gary Benner, Harris/3M's advertising was "almost zero compared to what we are doing." The latest phase of the $10 million introductory effort, he says, will last from October through the beginning of November.

The campaign is a creation of Ogilvy & Mather. The new ads, like their predecessors, are designed to create an identity and awareness for the new company with spots on all three networks and cable. Benner identifies the buy as prime time, early and late night television.

Magazines will also be tapped by Harris/3M. *Forbes* and *Time* were mentioned by Benner.

There will be no radio and some billboard. There is an ongoing direct mail campaign funded independently of the $10 million figure.

Benner indicates that the ads are intended to influence women because of the high percentage of female secretaries, office managers and other office personnel who have first contact with a visiting salesperson and significant influence on the purchasing decision.

The introductory ads will not feature any particular copier, but instead focus on the people selling and servicing them. This fits well with the prevailing industry feeling that quality is a given with the vast majority of companies and that the battle will be won or lost on other battlefields, including service and support. "They're unique ads," said Benner.

Ogilvy & Mather is behind Harris/ 3M's new tv-heavy campaign.

RICOH

Ricoh, with 4.6% of the placements, concentrates in the lower- to mid-range segments but is expected to enter level five in the near future.

According to ad manager/corporate communications spokesperson Ron Mowrey, Ricoh will address all areas of the market, from "small to mid-size and Fortune 1000 companies."

Advertising budgets with agency Chiat/Day were not divulged, but Mowrey does volunteer that expenditures "could be larger, significantly larger" than last year. That fact, even without specific figures, reinforces the feeling that copiers are seen as a growth market, and an advertising commitment is seen as vital to maintaining and enlarging market share.

Ricoh's advertising does not highlight a specific machine, Mowrey says, but is instead intended to create brand awareness. In this light, the current campaign and next year's may be the groundwork for product-specific ads.

This, however, is purely speculation. What is sure, according to Mowrey, is that the company hopes to attract the entrepreneurial types and those with buying influence in top companies. To this end, spots will be taken on *Monday Night Football*, during the United States Open Golf Championships and in other sports events and network newscasts. Mowrey notes that, at least for the time being, high costs preclude prime time television advertising. Magazine ads will center on the newsweeklies and papers like the *Wall Street Journal* and *USA Today*. In addition, the office publications and trade books will gain insertions from the company.

Additional information on the direction of the company was supplied by Data Quest. They indicated that other parts of the advertising campaign include a cooperative program, dealer tag lines in regional editions of *Time*, *Newsweek*, *Sports Illustrated* and *U.S News & World Report*, college publications and radio spots. The company has also, according to Data Quest, upgraded its dealer support in a number of ways, including computerization of testing procedures for sales reps, sales training, service support, dealer/manufacturer joint label supply program and a direct mail campaign.

Mowrey is happy with the progress Ricoh has made and the advertising campaign that will flow from these products. "I think the new advertising campaign presents Ricoh in a very professional manner," he said.

SAVIN

Savin is another company that is evolving toward a bigger commitment to the copier field. The company garnered 4.4% of the market, according to Data Quest's Bruce English.

Until last year, Savin was out of the national advertising arena all together but a new president, CEO and other top management have led the company back into the fray. Agency is Korey, Kay Partners.

The machines the new advertisements will be pitching are mostly in segments three and four. Savin's strategy — which is not unique among copier companies — is to concentrate on big accounts. Savin hopes a go-ahead from corporate headquarters will mean both multi-location placements and more than one placement at each lo-

#1 **in Maine and Northern New England**

166,000 weekday readers
211,000 weekend readers

Contact your Sawyer-Ferguson-Walker representative or call Roger Choquet at 1-207-942-4881.

Bangor Daily News
The Maine Choice.

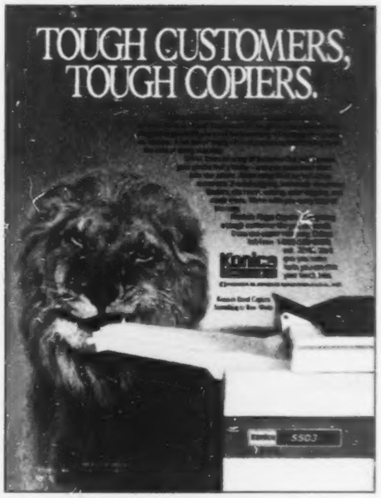
Source: Belden Associates, Dallas, Texas, Oct.-Nov. 1984.

cation.

Being prepared for the multi-department placements will mean having appropriate and widely varying machines ready. To this end, product manager Mark Pollack explains that the company is expanding its involvement in the modular concept. This, he says, will allow major accounts to buy a standard machine and outfit it in many diverse ways.

Steve Mikulka, director of market services, says the big emphasis is on tailoring the machine to the department. Savin's decision to exploit the modularization strategy may have gone hand in hand with the company's newfound advertising energy. This took the form last year of network television, business magazines and local newspapers in major markets.

"The company needed a quick shot in the arm to get off the mark," notes Mikulka. The quickest shot, of course, is television. A "lion's share" of an initial $3 million investment was spent on 15-second spots on network news and business breaks in April, May and June.



Royal Business Machines became Konica at the beginning of 1985.

The company hopes to push upward with advertising plans for the rest of the year that include expanding on the foundation formed last year. Four full-page black and white inserts each in *Business Week, Forbes* and *Fortune* and six insertions in newspapers in 14 branch markets are the centerpieces. That part of the campaign is to cost slightly over $300,000.

Though specific media plans are not yet set for next year, Mikulka indicates that the company can be expected to do "as much, if not more" national advertising in 1987.

KONICA

Konica, until the beginning of the year, was Royal Business Machines. The antecedent company was tenth in placements during 1985 with 4.0%, but according to director of advertising Sy Tyler, "Konica is second, I believe, to Xerox in major accounts."

He points out that the company is one of the few major companies that operates on both a wholesale and retail level. The latter accounts for 20% to 25% of the business, the former the balance.

Though Tyler refused to go into specifics, he said Konica is planning to buy cable, network and spot ad time next year. Print buys will include office trade magazines and the business weeklies. Agency is Harland & Tine & White. ■

THE GLOBE'S NOT HERE.

Boston
Providence
RHODE

One issue of our Providence Sunday Journal and Providence Journal Bulletin reaches more than 82% of all the adults in our market. The Boston Globe and the Herald deliver less than 8.5% each. So, if you want to talk to the people in Rhode Island and southeastern New England, you want to talk to us. Call Bill Peckham, Manager General Advertising at (401) 277-7172 for our continuing market study. And he'll give you the rest of our story.

Providence Journal-Bulletin

Represented Nationally By Cresmer, Woodward, O'Mara & Ormsbee.
Source: Providence Area Continuing Market Study – 1985.
Daily and Sunday combined net reach.

A Tale of Two Cities

SEATTLE
TACOMA

In either the best or worst of economic times, it doesn't make sense to buy newspapers that can't effectively reach the whole Seattle-Tacoma CMSA. Though Tacoma is but a mere 35 miles south of Seattle, it is a market largely unreached by Seattle newspapers.

If you want to reach the entire metro area, add The Tacoma News Tribune to your advertising schedule. You'll reach 236,400 adults every day.

Reach the Tacoma portion of this market with a Tacoma newspaper. In terms of gaining results, it would be a far, far better thing to do.

For more information, contact Doug Harris at 206-597-8757 or talk to a Sawyer-Ferguson-Walker representative.

The Tacoma News Tribune

P.O. BOX 11000,
TACOMA, WASHINGTON 98411

THE INDEPENDENT BANNER

During the past two years, the science of measuring consumer purchasing behavior at the local retail level has grown at an accelerating and dramatic pace. The catalyst in this process has been the growing development of retail scanner research, wherein laser-equipped scanners read the Universal Product Code (UPC) on different kinds of products at supermarket checkout counters.

Today, merchandising and promotion move the needle when one measures the profitability in a week of facings of any brand. Accordingly, advertising agencies have to closely measure the benefits of brand promotion versus traditional advertising media. In many instances, budgets for sales promotion, market research and direct marketing are growing faster than conventional media budgets.

Driven by the simultaneous need to better understand consumer purchasing behavior at the local retail level and the desire to jump into what they perceive to be new profit centers, it is only natural that advertising agencies and other marketing organizations may decide to enter the 'high tech/high touch' information business. National Brand Scanning pioneered the measurement of product/brand movement (retail ratings) in 1975. As a spokesman for NabScan, I say welcome aboard to any new players, but I also offer several serious caveats.

Our executives specialize in sampling and projection systems and mathematical modeling. Each week we process millions of different UPC's from some 1,100 supermarkets across the nation. The sample is representative of the consumer behavior of some 20 million people.

NabScan's acquired experience in editing and processing these data and projecting and translating them into meaningful information cannot be easily nor inexpensively duplicated.

National Brand Scanning was acquired in 1985 by Mediamark Research Inc. and its financial parent, Mills & Allen Inc. The acquisition was motivated by our realization that the measurement of product brand movement has become a commodity business based on scanner tapes, not field surveys or audits. Secondly, this high tech source contained the largest syndicated research data base in history. Thirdly, it's clear the information from a scanner data base is richer in value than the traditional audit data.

Given the complexity of gathering and coordinating such research, an advertising agency should probably think twice before doing it themselves.

Alain J. Tessier is president of National Brand Scanning Inc. (NabScan), a division of Mediamark Research.

OUR READERS TELL US . . .

With the increasing shift of marketing dollars from advertising to promotion, the Ogilvy Group plans to follow suit. As part of its full service concept, the advertising agency is extending its sales promotion capabilities with a major move into supermarket shelf space management via scanner-collected data. The move would put the agency in direct competition with such suppliers as Information Resources Inc., Burke Marketing Services and A.C. Nielsen Co. Research USA, Chicago, went to agency research departments and asked, just how smart a move is this? (Base = 109)

(1) Do you feel that there is a need for another entrant into supermarket shelf space management?

Yes	36.7%
No	60.5%
Don't know/no answer	2.8%

(2) Is it the role of an agency to provide this service?

Yes	28.4%
No	69.8%
Don't know/no answer	1.8%

(3) Considering that a greater percentage of marketing dollars is going into promotion, is this a wise move for Ogilvy to make?

Yes	47.7%
No	46.8%
Don't know/no answer	5.5%

(4) Do you believe that the Ogilvy move will be imitated by other agencies?

Yes	51.4%
No	46.8%
Don't know/no answer	1.8%

(5) How often do you believe that such a service would be used by Ogilvy's clients?

Weekly	11.0%
Monthly	18.3%
Bi-monthly	3.7%
Quarterly	22.0%
Annually	6.4%
Rarely/never	19.3%
Don't know/no answer	19.3%

SALES PROMOTION

by Russ Bowman

MAKING PEACE WITH ADVERTISING

It's an old marketing conflict that seems to run in cycles. Whenever there is a significant increase in promotion spending, the ad agencies and their supporters look to protect the more traditional role of advertising in the media mix.

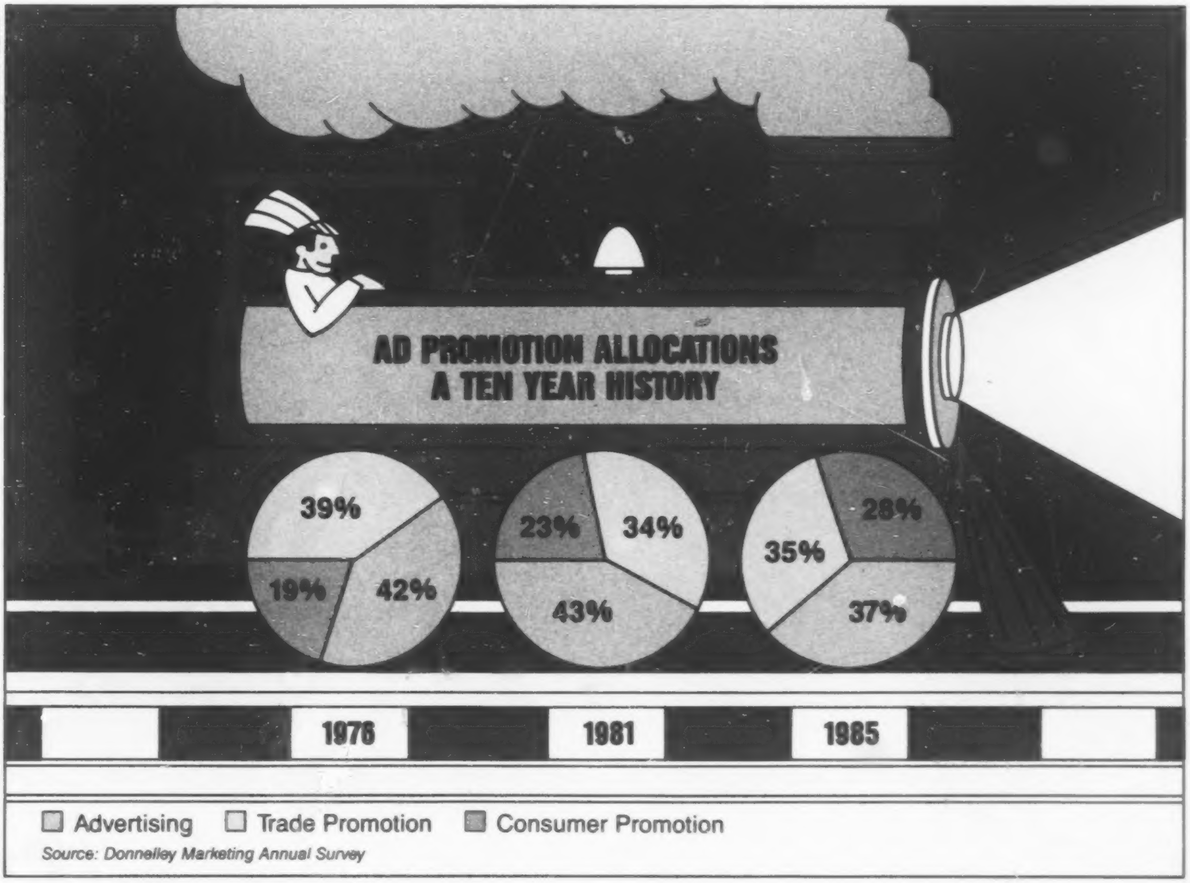
According to a recent advertising column in the *New York Times*, "The most fundamental change in consumer product marketing in the last few years has been the shift in expenditures from traditional media advertising to promotion."

Donnelley's 8th annual survey of promotional practices seems to support this trend. Over a five-year period (1981 to 1985), it shows media advertising's share of total marketing expenditures declining from 43% to 35% while consumer promotion has grown from 23% to 30%. (Trade promotion has been more stable at approximately 35%.)

According to the "Advertising/Promotion Expenditures Report" in our July issue, promotion bucks hit $94.4 billion (a 14% increase over 1984) while advertising in the seven traditional commissionable media hit $54.8 billion (a 9% jump over 1984). That puts the advertising-to-promotion expenditures ratio at about 63% promotion/37% advertising in 1985.

The *Times* column previously mentioned goes on to point out that, "Critics say that promotions undermine the image-building investments in advertising." However, the article quotes Ed Meyer, vice president, director of promotion at DFS/Dorland, saying, "Marketers are also learning to use promotions to build brand images." Meyer illustrates his point with examples of promotions for charity by Procter & Gamble, American Express, Coors, etc.

The marketing Holy Grail lies somewhere in the middle of this age-old debate with the proper mix for the individual brand at any given point in its life cycle. Experience and specific research has shown in fact that a company will not necessarily lose adver-



Source: Donnelley Marketing Annual Survey

ILLUSTRATION BY HAYES COHEN

tising values by a shift to greater emphasis on promotion.

Today many marketing managers try to look at their marketing efforts with a more liberal strategic approach to advertising/promotional roles. If one could view all those opportunities to reach and motivate the consumer as "consumer marketing communications," they would include: 1) all efforts that could communicate brand image and benefits; 2) all efforts to give the consumer an incentive to take action; and 3) those efforts that could do *both*. Surprisingly there are many marketing opportunities to do both. For example, inserted sheets in direct mail co-ops and pages in free-standing inserts generally achieve higher readership scores than full-page ads in consumer magazines.

Consider a second opportunity to get the best of both with pages scheduled in consumer magazines. Research has shown over the years that the addition of a promotional device in the ad will not hurt readership and in fact will increase it.

Agencies and marketers should aim for the synergism that results from the proper promotion/ advertising mix.

One Starch study of matched pairs of identical ads (with and without coupons) showed the ad with the coupon gained higher readership and other readership studies have shown similar results not only for coupon ads, but for ads with premium offers.

If agencies and marketers could devote more energy to the highly desirable synergism resulting from the proper mix of advertising and promotion than to a continuing battle to keep them separate, the end result would pay off in higher shares and "more boxes."

In summary, it seems that with media costs exploding, marketers should be exploring ways in which advertising and promotion can really achieve economy through cooperation. In fact, the time has come to put advertising and promotion together again. It's time to bury the hatchet in the age-old battle between sales promotion and advertising and recognize the fact that in the best marketing programs, they are very dependent upon each other.

Give them the sun and the moon.
COUNT ON US
for the news and more
Dayton Daily News
THE JOURNAL HERALD

Give your message to Dayton morning and evening with the newly combined Dayton Daily News and Journal Herald. Reach 76%* of Dayton with the frequency and flexibility you need.

Represented nationally by Sawyer Ferguson Walker, Inc.

*5-day cumulative reach

ECONOMIC EYE

ON THE BOARDS

Change is the constant in the outdoor industry as seen today by Cathy Hodges, vice president, media and marketing at the Institute for Outdoor Advertising. What she doesn't see changing is outdoor's uphill climb.

For one thing, ownership is in flux. Since Gannett Outdoor launched its Outdoor Network USA of local outdoor agencies in 1984, Foster & Kleiser, the largest, was sold to Patrick Outdoor Advertising, and Rollins Outdoor and Naegele Outdoor, other biggies, have also changed hands. Nor have formats stayed constant. Ten years ago, Hodges notes, posters drew most of outdoor revenues. They still outnumber painted bulletins five to one, but draw only 45% of revenues.

Outdoor's core of advertisers is also changing. After tobacco and hard liquor advertisers were banned from the airwaves in the early 1970's, their influx of business was all it took to position outdoor as a national medium in Madison Avenue minds. That business is on the decline, Hodges confirms, but new, local advertisers are helping fill the gap.

Fred Pfaff

MAGAZINE AD SCORECARD	Ad Pages Sept. 1985	% change from Sept. 1985	Dollars spent (000)	% change from Sept. 1985
1. Skin care, Creams, Lotions and Oils	152.72	−12.79%	$ 3,996.3	+9.28%
2. Lip and Eye Beauty Products	98.27	−16.36	3,089.9	−7.67
3. Scents and Fragrances	173.64	−14.82	4,581.2	−5.09
4. Facial Makeup Products	101.23	+40.77	3,916.4	+54.32
5. Prepared Dinners and Entrees (including Pizza)	28.17	−15.73	1,536.2	+2.20
6. Liquor	306.05	−22.28	13,298.0	−14.48
7. Cigarettes	562.43	−31.99	32,229.0	−24.04
8. Soaps and Detergents	41.89	+2.17	2,897.3	+7.11
9. Passenger Cars, Domestic	225.46	+43.70	14,708.1	+86.60
10. Passenger Cars, Imported	155.31	−22.97	7,570.6	−21.90

Source: Publishers Information Bureau as prepared by Leading National Advertisers

Largest Increases/Decreases in Outdoor Spending by Category*

Increases	Year-to-Date 2nd Qtr. 1985 (000)	Year-to-Date 2nd Qtr. 1986 (000)	% Change
Pets/Pet Food/Supplies/Organizations	$ 93.0	$ 472.8	+408.4%
Medical Insurance (HMO's, Health Plans)	793.6	3,196.6	+302.8
Industrial Materials (Chemicals, Plastics)	153.1	298.3	+94.8
Healthcare (Hospitals, Clinics, etc.)	3,438.0	5,112.5	+48.7
Travel/Hotels/Resorts	24,897.3	[illegible]	+24.9
Retail	18,962.2	23,471.0	+23.8
Decreases			
Beer/Wine/Liquor	37,922.7	26,942.7	−29.0
Apparel/Footwear/Accessories	2,487.1	1,749.3	−29.7
Sporting Goods/Toys/Games	194.7	133.0	−31.7
Building Materials/Equipment/Fixtures	1,051.0	712.8	−32.2
Household Equipment/Supplies	2,480.6	238.8	−90.3
Soaps/Cleaners/Polishes	109.1	3.9	−96.4

*Outdoor Advertising revenues as reported by LNA. These figures represent 40-60% of actual spending. *Source: Institute of Outdoor Advertising*

Historical Year-End Revenues For Posting and Paint and Average % Change Per Year

	Posting (000)	Paint (000)	Total (000)
1970	$163,706.6	$ 95,822.6	$ 259,529.3
1975	202,539.2	168,013.9	370,553.0
% Change Per Year	+4.4	+12.1	+7.5
1980	366,687.4	334,612.9	701,301.3
% Change Per Year	+12.6	+14.9	+13.6
1985	556,693.8	665,211.6	1,221,905.4
% Change Per Year	+8.7	+14.8	+11.8
1986 (Projected)	590,095.4	718,428.5	1,308,523.9

Source: Institute of Outdoor Advertising

Top 100 Metro Markets Ranked by Population 1986 Posting Rates & Allotments #50 GRP Showing

Markets	Regular	Illuminated	Cost Per Month
Markets 1-10	232	1,107	573,987.00
Markets 1-20	388	1,620	826,902.00
Markets 1-30	460	2,074	1,036,103.00
Markets 1-40	532	2,357	1,167,896.00
Markets 1-50	719	2,658	1,324,946.00
Markets 1-60	835	2,867	1,428,251.00
Markets 1-70	935	3,058	1,522,039.00
Markets 1-80	1,012	3,183	1,580,766.00
Markets 1-90	1,106	3,291	1,641,133.00
Markets 1-100	1,177	3,390	1,689,283.00

Source: Institute of Outdoor Advertising

MARKETING & MEDIA DECISIONS

C 2950-3
12/15/86

DECEMBER 1986 • $3.00

**************5-DIGIT 20814
711 00161861 41 93 DIR
GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800
BETHESDA MD 20814

THE 1986 MEDIA ALL STARS

MARKETING & MEDIA DECISIONS

COVER STORY

THE 1986 MEDIA ALL STARS 33

This is not a popularity contest. It is recognition of nine individuals whose talent and skills most dramatically demonstrate what it takes to be an agency media professional today. These nine, plus eight others with particularly promising futures, were chosen from nominations submitted by the most important of judges — the clients themselves. Presenting, for the first time, *Marketing & Media Decisions* Media All Stars!

MEDIA DIRECTOR: MICHAEL D. MOORE 34

His walls at DMB&B are weighed down with awards, but his clients' words of praise are what win his cause. Star Watch: Steven Farella, Ammirati & Puris.

ASSOCIATE MEDIA DIRECTOR JOHN BELFIORE 43

Don't let his quiet demeanor fool you — when piecing together a media strategy, this man roars. Ask his BBDO clients. Star Watch: Mary Ann Cycyota, Leo Burnett, Chicago.

NETWORK NEGOTIATOR: ALICE GREENBERG 49

Clients love her; sellers aren't so sure. All agree that Ogilvy & Mather's Greenberg is a woman you want on your side of the negotiating table. Star Watch: John Dailey, Foote, Cone & Belding, Chicago.

LOCAL BROADCAST: BARBARA HUGHLEY 55

Says one client of Hughley, who heads up the Ogilvy & Mather's New York local broadcast operation: "I damn near worship her." Star Watch: Pat Spilker, Backer & Spielvogel.

PRINT: LORETTA VOLPE 61

Her authority takes her all over the media landscape for SSC&B's demanding clients. But print is where her heart lies. Star Watch: Steve Lanzano, Ogilvy & Mather.

RADIO: JOANNE TAUB 69

Taub supervises all of Grey's spot radio buying nationwide. Her secret? A finely-tuned ear. Star Watch: Jerry Riemer.

CABLE: SUZANNE SHAWN 76

Cable experts at agencies are few and far between, but Shawn demonstrates the advantages of Campbell-Ewald's decision to keep it a specialization.

OUT-OF-HOME: JOHN MILLER 79

It is Miller's mission to bring Y&R's clients outdoors. Already, he's doubled the number who use the medium, and to good effect. Star Watch: Kenneth Winkelman, DMB&B.

MEDIA RESEARCH: KEVIN KILLION 85

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Cover photograph by Steven Begleiter

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Suzanne Shawn

Young & Rubicam's
John Miller

Grey's
Joanne Taub

Ogilvy & Mather's
Barbara Hughley

DMB&B's
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MAGAZINES

by John Ryan
Senior vice president,
media director,
Rumrill-Hoyt, Inc.

WHITHER MAGAZINES?

Whither magazines? Or, in plain English, what's the status and future direction of the magazine business? As a partial response to this question, I offer the following observations.

Currently, it's fairly common to discuss the "deep troubles" of the magazine industry. Various factors are cited as contributing to the ill health of magazines. These include:

- Drastic advertising reductions by industries which have traditionally been major spenders in magazines.
- Overall reductions in reading by Americans and the rise in illiteracy among adults.
- Increased "video orientation" among the population. That is, increased use of television, computers, VCR's, etc., in place of magazines.

Many people swallow the above statements whole, but to get a better idea of what is *really* going on, I'd like to discuss each of the preceding points in a little more detail.

Reductions in advertising: It's true that magazines have faced significant losses in advertising revenue from categories such as tobacco, computers and corporate/business-to-business. In addition, advertisers in many other categories have slowed spending in response to a sluggish economy.

However, it appears now that magazines are rebounding. In the first six months of 1986, advertising revenues are up versus 1985 for almost all magazine categories, and, on an overall basis, the increase is about double the inflation rate.

Magazine Category	Advertising Expenditures % Change 1986 vs 1985 (January-June)
Business	−3.3%
Fashion & Service	+12.0
Home	+8.1
Mechanics & Science	−9.2
General Interest	+4.8
Outdoor & Sports	+6.6
Weekly & Bi-Weekly	+5.0
Women's	+6.1
Youth	+5.3
Total	+4.7%
Inflation (Consumer Price Index)	+2.4%

Source: Publishers Information Bureau (PIB)

The business and mechanics-and-science categories are still down, partly because these two were hit quite hard by cutbacks in business-to-business and computer advertising. With the finalization of the new tax law, corporations are more certain about the future and as a result, we should see increases in business-to-business advertising.

In addition, many magazines are increasing revenues by attracting advertisers who have not used their type of publication in the past such as the appearance of packaged goods and foods in the newsweeklies.

Reduced reading and high illiteracy: Many decry the lack of reading by Americans and point to a high number of illiterate adults.

Estimates of illiteracy in the United States vary. Jonathan Kozol, in his book *Illiterate America*, says that 60 million adults, or one-third of the adult population, are illiterate. On the other hand, the Census Bureau says, based on a 1982 test, that 17 million to 21 million adult Americans, or approximately 13%, are illiterate. Widely varying estimates but, either way, these numbers are scary.

But once you dig a little deeper into these numbers, you find that they really are "guesstimates" and, in fact, guesstimates on the high side.

Furthermore, the truth is that more Americans read magazines today than at any time in the nation's history. The average American reads three magazines and four trade journals each week, along with newspapers and books.

Another indication of increased magazine readership is the fact that, over the years, the average circulation of magazines has increased at a higher rate than the population.

	Magazine Circulation Increase vs. Population (1954=Index 100) 1954	1985
Per-issue Circulation of Magazines	100	191
Adult Population	100	161

Source: Magazine Publishers Association (MPA)

Video orientation of Americans: It has been said that we have become a completely video-oriented culture. Our increased use of tv, computers and VCR's supposedly does not allow us the time to read magazines.

This is just not true. Rather, the owners of sophisticated video equipment tend to be the *heaviest* readers of magazines. This is true for computer owners as shown below:

	Index of Readership	
	Adult Computer Owners With:	
Magazines	Video Game Tapes (Index)	Video Game Unit (Index)
Heaviest Readers	140	124
Next	117	119
Next	105	101
Next	83	90
Lightest Readers	55	66
Total	100	100

How to Read: Adult computer-owners with video-game tapes are 40% more likely than the national average to be the heaviest magazine readers.

Source: Mediamark Research Inc. (MRI)

On a similar note, we find that VCR users are also the heaviest magazine readers:

Magazines	Index of Readership Adult VCR Owners (Index)
Heaviest Readers	114
Next	112
Next	99
Next	[illegible]
Lightest Readers	76
Total	100

Source: MRI

Many people also feel that the future success for magazines lies in their ability to take on the look and feel of video. For example, this appears to be one of the things Bob Guccione tried to do with *Newlook* magazine. I disagree with this philosophy. Magazines should not try to look like television programs or music videos. It's true that people go to magazines for entertainment as well as information, but it is entertainment of a different kind than that received from electronic video. Magazine reading is a more personal endeavor, with the reader absorbing the articles and pictures at his own pace, mentally adapting what he sees and reads to his own life. The reader should not be forced to read a magazine the way he watches a music video. If he wanted television, he'd be watching it, not reading a magazine.

So, where are magazines heading? Well, they have had a rough time lately. But they are coming back stronger than ever and much credit has to be given to the magazine editors and publishers. Americans are reading magazines more and more, and, in the electronic video age, magazines will continue to provide those unique benefits which other forms of media cannot. ■

Magazines are coming back stronger than ever.

RESEARCH

by Debbie Solomon

Associate media research director, J. Walter Thompson USA, Chicago

READER PANELS: AN UNSUNG OPPORTUNITY

What do consumers think of my new flavor idea? How often is my product used? Who in a household uses my product and how do they use it? What kinds of services do consumers want from my company?

These questions and others can be answered, often for free, by a common research tool that very few people are familiar with — the reader panel. A reader panel can be a group of random subscribers or readers, or a particular target audience of subscribers or readers who are sent periodic questionnaires about a topic or topics. The purpose of a reader panel is to provide insights about current market trends and to pinpoint consumer wants and needs for advertisers and editors.

Most magazines that have reader panels offer this opportunity to any advertiser *at no charge*. However, some ask advertisers who use the panel to help defray some of its expenses. For example, *Mademoiselle* charges for printing and mailing costs and *Seventeen* and *Woman's Day* charge a small fee if panel results are to be kept confidential.

Each magazine has its own method of conducting reader panels. As a result, sample size, number of questions, number of panels conducted yearly and turnover of panel members vary. Most reader panel surveys are conducted through the mail, although telephone interviews, personal interviews and focus groups are sometimes offered. The only caution about this type of research is that it is not based on a randomly-selected national sample. Consequently, it should not be used to gather nationally-projectible data.

The number of subjects covered in each survey varies from magazine to magazine. Some surveys focus on a single topic (e.g. *Cosmopolitan*'s skin care survey, *Better Homes and Garden*'s home remodeling survey), while others cover a number of topics. Advertisers generally supply five to ten (usually close-ended) questions, with anywhere from 25 to 50 questions included on a typical questionnaire.

How do you find out who offers reader panels? Right now you have to call each magazine and ask. SRDS has a category, number 17, in the consumer magazine volume for special services. Although currently rarely used, this category could be a good place to list the availability of reader panels as well as other research offerings, such as subscriber studies. Alternately, SRDS could add a category, "research available."

As mentioned above, each panel is operated differently. Below are details:

- *Better Homes and Gardens*: Panel is made up of subscribers. Questionnaires are sent to groups of 500 to 1,000 subscribers and surveys are conducted five times annually.
- *Cosmopolitan*: Panel consists of readers who are solicited through an ad in the magazine. Each questionnaire is sent to 1,000 panelists and three to four surveys are planned annually.
- *Good Housekeeping*: Panel is made up of subscribers. In addition, *Good Housekeeping* will sometimes use a sample of women who are "regular or occasional readers of women's service books." Both the sample size for each survey and the number conducted yearly vary depending on demand.
- *Mademoiselle*: Panel consists of readers who are career women and is called the Mademoiselle Career Marketing Board. At least six times during a year, *Mademoiselle* sends questionnaires to 1,000 of these women. Smaller groups are also available for

BRAND REPORT

No. 138: Scents and Fragrances

DOLLARS & SCENTS

by Phyllis Fine

Is the bloom off the women's fragrance market? Smelling less sweet all the time, it has become obsessed of late with such problems as flat sales, consumer price sensitivity, the waning profitability of giveaway promotions and the challenge of copycat fragrances.

With a few notable exceptions, less-than-stellar sales gains have been a fact of life for women's fragrances in general over the last few years. Marketing consultant William Fitzgerald, who measures the category in terms of "straight juice" (the liquid versions of scent) only, notes figures of $2.05 billion for 1985, a tiny movement upwards from his 1981 figure ($2.03

JENNY ADAMS

Fragrances Media Expenditures for 1985 (000)

Brand	Total	Mags	Net TV	Spot TV	Sunday Mags*	Cable TV
Chanel No. 5	899.6	807.5	–	–	92.1	–
Charlie	3,208.8	822.5	1,641.3	658.3	–	86.7
Giorgio	1,231.1	1,231.1	–	–	–	–
L'air du Temps	1,402.1	1,066.8	–	335.3	–	–
Lauren	2,168.6	401.9	–	1,705.3	61.4	–
Obsession	5,921.8	1,866.9	–	4,054.9	–	–
Opium	718.3	154.7	–	563.6	–	–
Oscar de la Renta	1,361.9	396.7	–	965.2	–	–
Vanderbilt	6,376.7	689.4	4,273.2	1,182.7	–	231.4
White Linen	4,667.4	1,446.8	–	3,097.8	122.8	–

Source: Leading National Advertisers

*Most regular newspaper advertising for these brands was done in a co-op arrangement with a retailer, and thus was not tracked in Media Records.

billion). A bit more improvement was apparent in the figures given by cosmetics trade magazine *Product Marketing*, which tracks "juice" plus ancillary items such as bath and body products: $2.99 billion for 1985, up from $2.12 billion for 1981.

While there may be increases in revenue, women are actually buying less fragrances than ever before, according to Fitzgerald. He notes that unit sales plummeted 29% from 1981 (211 million in 1981 versus 148 million in 1985). Since his calculations show an average price increase of 44% for the five-year period, any additions in sales dollars can be attributed to higher price tags and not increased consumer traffic.

Yet exceptions to sluggish sales — industry phenomenon Giorgio, responsible for most revenue gains in the past few years; Calvin Klein's successful launch of Obsession; controversial Giorgio knockoff, Primo — have kept consumers intrigued by developments in the category. "You don't get success stories on the magnitude of Giorgio and Obsession in a slow industry," claims independent industry consultant Allan Mottus.

Buyers also note a flurry of consumer activity spurred by recent launches by major companies, such as Estee Lauder's Beautiful, Chanel's Coco and Dior's Poison. But newcomers' sales seems to be cannibalizing the rest of the category, especially the traditional volume leaders, according to Jim Olivarri, cosmetics divisional merchandise manager for department store chain Foley's.

Consumer price sensitivity is one important factor eroding the market share of traditional brands. Notes Don Davis, editor, *Drug and Cosmetics Industry*, "With prices out of the range of the average consumer, she may buy only one fragrance for the year, which blows up the importance of the few top fragrances."

When a few brands own what is essentially a mature market, it makes for a very tough, competitive climate. Aggressive marketing moves taken by some companies include experimenting with new forms of scent, such as Chanel's Eau de Parfum, a lighter version of perfume, and Charlie's Charlie-Go-Lightly and Charlie Naturals, different plays on the basic scent theme. Both Calvin Klein and Parfums Stern, which markets Oscar de la Renta, have been in the forefront of heavy promotion and advertising of bath and body lines which, according to Foley's Olivarri, are a useful extension of the layering concept which pushes multiple product use for long-lasting scent power.

CHANEL N°5
INTRODUCES BODY PLEASURE
POUDRE NOUVELLE/EXTRAORDINARY BATH POWDER

Chanel takes a cue from Obsession with this body-conscious ad.

One marketing technique which fragrance companies are rethinking is the promotional giveaway. Known as purchase-with-purchase (P-W-P) and gift-with-purchase (G-W-P), this industry tradition has become gift-with-headache as costs mount for giveaway items and consumers wait for special offers before they make a purchase. Yet, as is evident in the following marketing profiles, few companies have actively begun to curtail this activity.

Fragrance sellers face a number of challenges in marketing their products, including price sensitivity and knock-off scents.

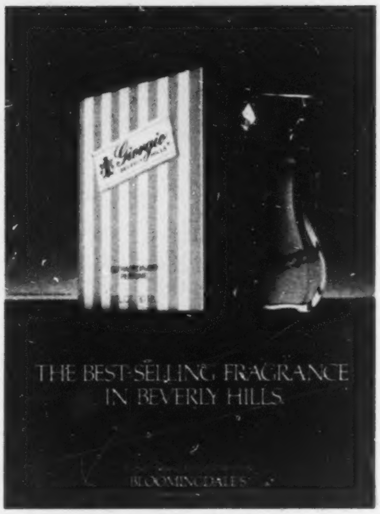
An aggressive and original ad campaign might be seen as another formidable weapon in the accelerating fragrance wars, yet until last year ad creative did not seem a high priority for fragrance marketers. "Print ads are for hunger," says Miriam Sakol, creative consultant to the cosmetics industry. "Everybody in the business says that they're selling an emotion, but in fact they have no idea how to do that."

That is, until Obsession came along with a name that actually conjured up an emotion and a sexy, moody ad campaign. Perhaps in response to Obsession's success, marketers of several "top ten" brands profiled have recently refocused their ad campaigns.

Fragrance advertising tends to be highly seasonal, with most activity prior to Christmas and Mother's Day. Last year, fragrance marketers spent a little over $116 million on advertising, with the biggest slice of ad dollars (about $61 million) going to combined spot and network tv, according to the Multi Media Report Service from Leading National Advertisers/Broadcast Advertisers Report Inc.

One other common denominator for fragrance advertising is print placement; as might be expected, the core books are the standard fashion/beauty magazines. Less expected is the name of the magazine which has dominated the top spot in ad dollar revenue for the past few years — *Cosmopolitan*, usually perceived as more a lifestyle than a fashion magazine.

The recent success of copycat fragrances adds to the element of aggression in an already hyper-competitive business. Certainly, the ads for best-seller Primo, by Parfums de Coeur, were anything but demure, trumpeting the comparative prices of Primo and Giorgio. Yet because of Primo's price ($7.50 for an ounce of cologne), de Coeur president Mark Laracy claims that he's not really competing head-to-head with Giorgio, which goes for $150 an ounce of perfume, $45 for three ounces of cologne. Instead, says Laracy, he's "doing a number on the middle-priced fragrances." Responding to criticism that it's sleazy to trade off the names and formulae created by other companies, he notes that "the



Giorgio's ads play on the mystique of Beverly Hills.

total history of the fragrance business has been one of imitation. Lauren became Scoundrel; Mrs. Lauder claimed that Opium was 'Youth Dew with a tassel.' I'm just less hypocritical about it," claims Laracy.

Others don't see it quite that way. When a new fragrance "influenced" by another comes to market, it still has to create an independent brand identity — a task which knockoffs don't have to perform. So the arguments, and industry controversy, continue while Laracy racks up $50 million in 1985 sales from his total knockoff line and predicts that he'll double that in 1986.

The criterion for our fragrance "top ten" list was retail dollar volume. The following brands were first suggested by Rayda Vega, a perfumer at fragrance supplier de Laire, whose marketing savvy includes 15 years in the business. The list was then rechecked against several other sources, among them a market research company that does track sales figures, though on a proprietary basis, and the summer 1986 version of Goldman Sachs' fragrance and cosmetic buyer survey (both the department store and the chain and independent drug store editions). The order in which the brands are listed does not suggest any particular rank on the list. All of our sources agreed that any ranking would be highly speculative at best, although it's clear that Giorgio is number one and Oscar, Obsession and Vanderbilt also hold key positions.

This ranking is based on total sales, resulting in a mix of brands at different price points. The tremendous number of products in the women's fragrance category causes individual sales by brand to pale in comparison with the industry total of $2.045 billion last year. The number-one brand, Giorgio, only accounts for about $75 million in 1985 sales.

GIORGIO

Giorgio, the unquestioned number-one seller, is also an industry phenomenon, racking up top sales since its launch in 1982 and pioneering two new marketing techniques — the use of direct mail and scented inserts.

The word this year on Giorgio is that sales haven't exactly peaked, but, for the first time, are leveling off. "It's a settling in period" for Giorgio, notes Leonard Ichton, division merchandise manager, cosmetics, Filene's. "Before, the customers included women who had the desire to own the product because of all the publicity. Now it's settling down to consumers who like it enough to repurchase it."

John Funck, senior vice president of marketing for Giorgio Parfum, concedes that sales have perhaps leveled off a bit, but responds, "To continue to grow beyond [the brand's previous sales], everyone else would have to close down."

Mindful of the competitive state of the fragrance business (which is also frequently criticized as a me-too industry), Funck would not discuss any of the company's upcoming marketing or media plans, saying only that "an innovative change" was coming. "For anyone to keep a healthy, exploding business alive, you have to change plans as it fits the need."

Giorgio turned the market on its ear with the use of two new marketing ploys in the field: direct mail and scented inserts.

Wear an original
Charlie
REVLON

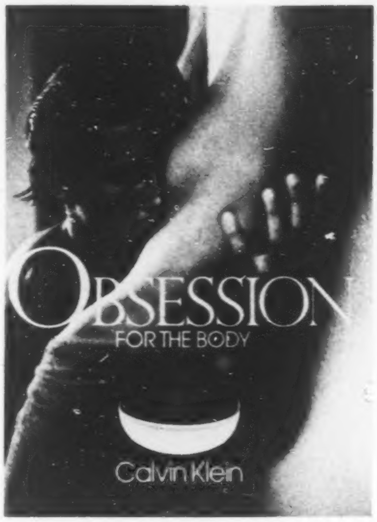
The 1985 Charlie girl. A new campaign is pending.

Previously, Giorgio's advertising, created by Eisaman, Johns & Laws, focused on print in national women's magazines (see "American Women Say 'Yes' to Giorgio," *M&MD* Spring Special 1985, pg. 93). LNA reported 1985 spending for the brand at about $1.2 million. Advertising was done on "a year-round basis, with added backing prior to Christmas," according to Funck. The company which ushered in the era of scented inserts, appears to be cutting back somewhat on use of this technique, at least if you "compare it to our launch position," notes Funck.

Giorgio, the fragrance hardest hit by the copycat craze, is "not happy" with the phenomenon, but also "not concerned. Their specific consumer base is not ours," concludes Funck.

CHARLIE

Charlie, the first "lifestyle" fragrance with its landmark campaign showing the liberated woman taking a step into the future, was an industry winner for years. But then the brand fell into trouble. Susan Babinsky, senior consultant for market research firm C.H. Kline, postulates that the "positioning worked for that point in time [the brand was launched in 1973]; now, it doesn't have the same impact." Despite such reasoning, the brand still commands an impressive share of the



Obsession's ads give new meaning to the term "positioning."

women's fragrance market. "Charlie's slipping, but it's still in the low $30 millions in sales," according to Allan Mottus.

"In 1983," concedes Mark Goldstein, vice president of marketing worldwide for Revlon's fragrance and skin care divisions, "Charlie was at its all-time low point. But it's come a long way back to where it should be." According to Goldstein, that means a commanding lead in unit sales and a 6% share of the mass fragrance market. This is particularly impressive, Goldstein claims, because the mass market is so segmented and the next largest brands hold perhaps a 2% or 3% share.

Charlie advertising went through several shifts in the 13-year history of the brand. One campaign, hailed as a major departure, had the independent Charlie woman actually interacting with a man. The new Charlie campaign, created by Hill, Holliday, Connors, Cosmopulos (a recent agency switch for the brand from Scali, McCabe, Sloves), "attempts to show who the Charlie woman is in 1986," says Goldstein. In fact, that topic is the theme of the commercial, which features a man and a woman discussing "who's Charlie, and who's not, and pointing to various examples."

The new campaign debuted in the fall on network tv in the top 20 U.S. markets. Scheduling of the commercial has a "prime time focus," with selected highly-rated daytime tv shows on the lineup as well. The print campaign will break in December issues of *Vogue, Glamour, Cosmopolitan, Mademoiselle, Harper's Bazaar, Self* and *Working Woman*. Goldstein calls Charlie a high-frequency, and high-spending, advertiser. He considers the 1985 LNA figure of $3.2 million very low: "We spend at least twice that," he says. Advertising continues throughout the year, with only 30% to 40% at Christmas. "Because of the positioning of Charlie, there's a high percentage of self-purchase."

The Charlie line was recently repackaged and given an updated logo, spelling out the Charlie name in different handwriting than the original. And like a record company recording many versions of its greatest hits, Revlon has developed new twists on the original formulation. Charlie-Go-Lightly, a line of items scented with a lighter, more citrusy version of the parent scent and priced under $8 each, was designed to address retailer concerns about "slow product turnover, with a line created to promote lavish usage and multiple turnover," says Goldstein. Charlie Naturals, a spinoff of the Charlie formula into three different elements — Charlie Rare Musk, Forest Herbal and Fresh Flowers — was characterized by Goldstein as "modestly successful."

OBSESSION

Premium-priced Obsession ($160 for an ounce of perfume) made a big splash in its 1985 launch year, garnering sales of $30 million. In 1986, department and specialty store buyers in a Goldman Sachs' survey mentioned its top-selling status more often than they named Giorgio, the first time Giorgio had been toppled off any industry pedestal.

Obsession's moody blue print ads, and definitely different commercials (unrequited lovers bemoaning their obsession; in some markets, either a woman or a young boy was daringly paired with a woman) generated a lot of free publicity and a high awareness level for the brand. A fairly heavy blitz of scented inserts prior to the launch got consumers familiar with the scent itself.

There's a lot to be said for being over 50.
Just wait a few years and you'll see.

58% of our readers are under 65.
45% have attended/graduated college.
and average income is $33,800.

50plus

850 THIRD AVE. • NEW YORK, NY 10022 (212) 715-2781

Opium's current print campaign will be revamped shortly.

The other landmark of the campaign, created in-house at Calvin Klein: It was the first time a fragrance company dared to mention the word "smell" in its advertising. The television commercial ends with the line, "Ah, the smell of it!"

In 1986, the company launched Obsession for the Body, a group of scented body products, with an even more outrageous print campaign — a man kissing a woman's nude torso. This was reportedly the first time a body line was treated as a separate launch, with its own national ad campaign, according to Susan Hays, president of consulting firm Hazon Concepts.

LNA quotes a figure of about $5 million for 1985 spending, but one Calvin Klein source notes that the company spent $17 million in its launch year, a figure which probably adds in promotional as well as straight advertising expenditures. According to the spokesperson, in print the company uses the major beauty/fashion magazines — *Harper's Bazaar, Glamour, Mademoiselle* and *Vogue*, as well as such dual-audience books as *Details, European Travel and Life, New York, Playbill* and *Vanity Fair*. In tv, scheduling demands mean "nothing before prime access, with some late news and late fringe; no game shows or sitcoms." The company doesn't do any co-op print, but all of its tv commercials are co-op, with a retail tag on the end. And the company does the standard P-W-P and G-W-P promotions.

OSCAR DE LA RENTA

One of the original breed of designer fragrances, Oscar de la Renta, reportedly held the number-one spot for a long time before Giorgio came on the scene. Now, Oscar has a new ad campaign due for Christmas which is a "departure from its older advertising," according to Bob Brady, senior vice president/general manager for Parfums Stern, which markets the brand.

Both the print and commercial creative, "an attempt to reinforce our romantic image," focus on a couple in a gondola in Venice. "It's a change for us because for years, Oscar, the designer himself, was the theme. We used to run a picture of him in all of our ads. He's still in the commercial, but he's there briefly, as an observer of the couple. We wanted to explore the idea of couples and romance as opposed to the designer theme." The campaign was created by Lord, Geller, Federico, Einstein.

The company does less national advertising than its competitors, which Brady feels is "reflective of our distribution — 1,400 doors, less than many other brands. We run a fairly substantial co-op tv campaign preponderantly during Christmas." Print advertising is heavy in women's fashion and regional books.

Some compulsions cannot be denied. Oscar knows.

Oscar's new campaign makes less of the designer.

As for other marketing ploys, Brady says, Oscar has been known traditionally as a brand with a lot of emphasis on point of sale, which means creating a strong rapport with salespeople and developing in-store promotions such as a Cafe Oscar, "where we serve coffee with cream and a spritz of Oscar on top." In the past, the company had always avoided getting into promotional giveaways, but then, "in recognition of the change in the competitive cosmetics arena," Parfums Stern took its first tentative step into the realm of gift-with-purchase for the brand and, reports Brady, found the results pleasing — a 30% gain in new customers. But the products in the promotion, he stresses, are always sample sizes, not "saleable merchandise." Giving full sizes away, he comments, is "the fastest way to denigrate your brand."

Oscar will debut a new campaign, though they spend less on national ads than their competitors.

OPIUM

The grand tradition of "shocking" names in the fragrance business probably began with Schiaparelli's Shocking, continued through My Sin and culminated with Dior's Poison and International Parfums' Decadence. Another stop along the way was Opium by designer Yves Saint Laurent, which, by virtue of its name, created some of the same kind of controversy in its 1977 launch as the 1985-86 Obsession furor. "Whether the controversy was by design or accident, I don't know — but it worked," observes Loretta Garcia, vice president/marketing, Yves Saint Laurent fragrances and cosmetics at Charles of the Ritz.

Although Opium was a designer brand, its positioning always reflected its name as an exotic, mysterious Oriental fragrance, according to Garcia. The new tv campaign communicates the same message, she says, but in more modern terms. In creating the commercial, says Garcia, "We wondered, what kind of fantasies do women have today?" The answer comes in the scenario: A woman wearing a business suit (the first departure from the previous commercials, where women always wore evening gowns) walks through an exotic bazaar and into a temple, where there's a man obviously showing her some merchandise. There's no dialogue; the situation is spelled out quickly through eye contact instead. But what is the merchandise — jewelry, art works, what? When she finally makes her choice, we see what she's been selecting — a man! Garcia describes the ads as "controversial" and modern. "In the past, Opium ads showed the woman in control, but the man was always coming to her, initiating the union. Here, she's the one initiating the action."

The company, along with ad agency Rosenfeld, Sirowitz & Humphrey, is currently developing a print ad with the same feeling as the commercial. The core of Opium's print campaign is *Vogue* and *Harper's Bazaar*, but, says Garcia, "we plan to use regional magazines more where we can find good publications that fit our criteria." She adds, "Since our agency has done careful research on different markets, we've experimented with a different media mix for different areas of the country. If we have a market that responds especially well to tv or print, we'll concentrate on that."

WHITE LINEN
ESTEE LAUDER

The "crisper, more contemporary" look of White Linen's print ads.

The way Ritz strategists handle the promotion dilemma right now is to do straight purchase promotions — a package of different product forms which sell for a standard price. A G-W-P promotion was tried on a limited basis, but the company would like to avoid that ploy, since, says Garcia, "it destroys regular business."

WHITE LINEN

Estee Lauder gets into the lineup with White Linen, a scent which was originally begun under the umbrella of "The New Romantics" line of three fragrances meant to be layered together. White Linen quickly took off by itself as the star of the line, and the company decided to go with the winner and eventually dropped the other two fragrances.

Because of its name, a lot of people thought of it as a summer fragrance, a position that the company is trying to dispel, according to Bob Barnes, president of Estee Lauder U.S.A. In order to reinforce the year-round nature of

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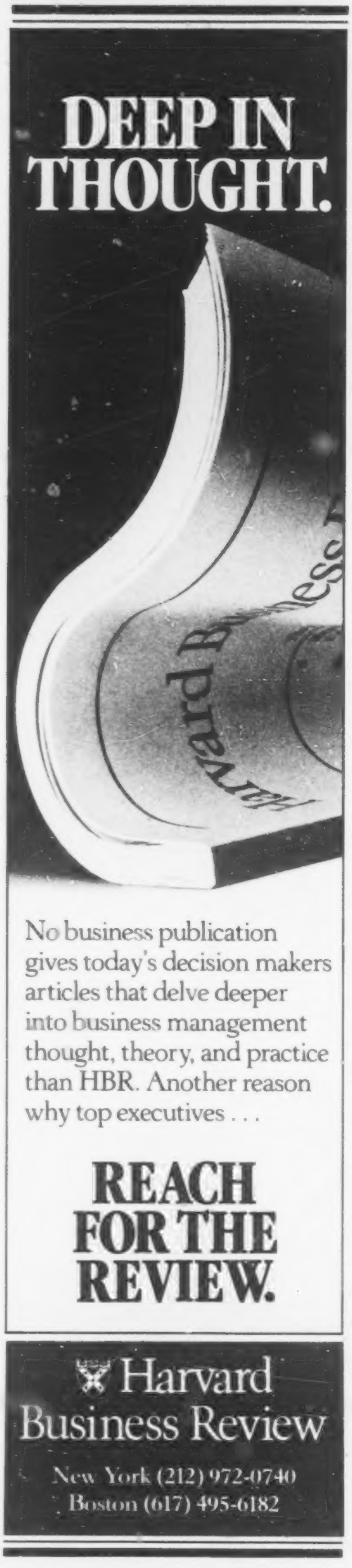
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White Linen, Lauder is careful to advertise 12 months a year, notes Barnes.

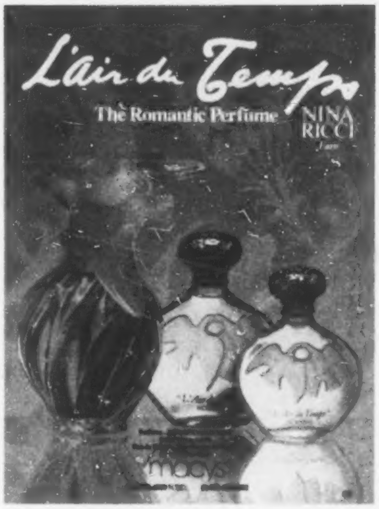
New print and tv commercials from agency AC&R are now updating the brand's positioning. "In the past, the fragrance was always pitched as romantic," notes June Leaman, senior vice president of creative marketing, Estee Lauder, Inc. Typically, ads would show a model "wearing a soft, pretty, white linen dress, on the veranda of a Southern plantation." The current print campaign still features a woman wearing white linen, but relaxed white linen pants, a matching coat and shirt. "This is a crisper, more contemporary look, not quite as dreamy and nostalgic."

The new commercial, which Leaman characterizes as "zippier, with a more stepped-up tempo and a younger appeal," features six tongue-in-cheek vignettes illustrating a catch phrase that begins with the word white. There's White House, showing a woman campaigning for office; white lie, where a woman wearing a white trenchcoat emerges from the shadows alongside a white automobile; and white wine, white collar, white hunter, whitecap. These lead to the last, White Linen, showing a woman in a white evening dress and the tag line, "You know how to wear it." The commercial will appear in spot markets in conjunction with a retail tag.

L'AIR DU TEMPS

L'air du Temps is an almost-forty-year-old classic fragrance with a romantic image and a low profile. But according to Barbara Kotlikoff, senior vice president, marketing, Parfums Ricci, the brand's low profile will soon be a thing of the past. "In this tough market, instead of retreating, we're aggressively moving forward," she says. One important weapon in the battle is advertising: In 1986, the company had agency BBDO spend "the largest advertising budget in the brand's existence" — $4.6 million for the second half of 1986 alone, with minimal spending in the first half.

L'air du Temps is changing its packaging, upping its ad budget and improving its in-store presence.



This is L'air's first step into product, rather than image, ads.

Other changes attest to a more aggressive marketing tenor. "In the last four years," notes Kotlikoff, "we've repackaged both bottles and cartons, improved our promotional presentation at the counter, added line extensions and held in-store clinics."

The ad campaign is 35% print, 65% tv, with tv "in the top 21 markets." Print runs in a combination of 20 regional books, including *Philadelphia* and *Chicago*, and national fashion books such as *Elle*, *Vogue*, *Mademoiselle*, *Glamour* and *Harper's Bazaar*. For the print campaign, there are two kinds of creative, says Kotlikoff: a spread of Christmas merchandise, tagged to stores with an 800 number, and single pages with an eight-page catalog insert of Christmas items. According to Kotlikoff, "This Christmas is the first time we've done product advertising," taking advantage of the "gift-giving aspect, very important to our brand. We'll see how it works. But we haven't moved away from our romantic positioning, and we'll definitely

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VANDERBILT
VANDERBILT

Vanderbilt is a dual-distribution brand and has developed separate promotional and merchandising strategies for its outlets.

do more image advertising, which has built our business."

Among all the brands mentioned, L'air is unique in being a dual-distribution brand with prestige price points ($21.50 for 1.7 ounces of eau de toilette, $125 for an ounce of perfume). The scent is sold in fine department stores as well as drugstore chains and mass stores such as Penney's.

VANDERBILT

Vanderbilt, distributed by Cosmair, is also uniquely a dual-distribution brand, but with a markedly different thrust and price tag than L'air's. Vanderbilt, with more-moderate price points ($13.50 for an ounce of eau de toilette, $60 for a half ounce of perfume), has its distribution skewed toward chain drug and mass outlets, with about 20% of its distribution in department stores such as Macy's, A&S, Marshall Field and The Broadway, according to Mike Eiger, vice president of marketing for Cosmair's retail fragrance division. Because of the differences between mass, often self-service chains and department stores, the company has to develop different promotional and merchandising strategies for each. "In a way, it's like doing two different brands," notes Eiger. For example, in a department store, the company can do a G-W-P with an umbrella given away by a salesperson; in self-service chain drugstores, the gift must be something that can be affixed to the package, such as a smaller version of the perfume. Merchandising displays must also be tailored to the outlet.

Vanderbilt will spend 90% of its ad dollars in television on ads that rely on the name and the swan logo for recognition.

Eiger claims the brand has been "the number-one spender on straight advertising since our launch in 1982," a fact which holds true at least for 1985; Vanderbilt's LNA figure of $6.3 million is higher than any other individual brand's total.

Vanderbilt's campaign is 90% tv and 10% print. The creative, which "focuses on the prestige of the Vanderbilt name, and the recognizable symbol of the swan," has remained essentially the same for years. However, Eiger notes that Vanderbilt and its agency, Geers Gross, have a new secret weapon in their ad arsenal; he declined to detail specifics, but there's a good chance the weapon may have some-

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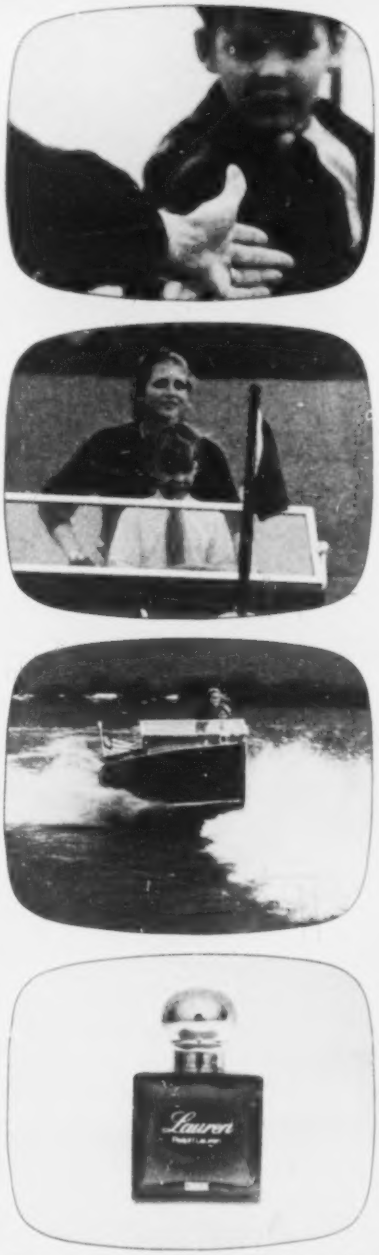
thing to do with the brand's media mix.

CHANEL NO. 5

How do you keep a true classic like Chanel No. 5 going strong? By "addressing our customer in modern terms without changing our basic strategy," according to Chanel president Kitty D'Alessio. "With the word classic, you're talking about the best of what is right in the world, communicated through our presentation, our graphics."

"Our logo in all of our ads is always recognizable, with the typeface always the same, to get the halo effect of the Chanel name." This extends the No. 5 allure to all the company's brand lines — color, treatment and fragrance — says Arie Kopelman, vice chairman/CEO, Chanel Inc. The breakdown of Chanel's ad budget also shows a clear striving for the "halo effect": LNA reports less than a million ($899,600) is budgeted to Chanel No. 5 individually, while a much larger percentage of total ad expenditures ($4.2 million) goes under the catch-all umbrella of Chanel fragrances for women, and $213,300 toward ads which feature two brands: both Chanel No. 5 and Chanel No. 19. Chanel's in-house ad strategy has strong product ads, both spreads and single pages — "not a nine-act play, not too many words," according to Kopelman. But the company perhaps took its cue from the sexy Obsession ads when it began running an ad for Chanel No. 5 bath powder which featured a woman's nude body in shadow, with the breast prominent in outline.

The current print campaign is in "all fine women's books," says Kopelman, including *Vogue*, *Harper's Bazaar* and *Elle*, as well as *Architectural Digest*, *Time* and *The New Yorker*. For 1986, when an "all-time record of advertising dollars" will be spent, according to Kopelman, there will be lots of weight in tv. "Broad national tv coverage" will include a schedule of early fringe and prime, network and spot commercials.



Geers Gross has been shifting ad dollars for Lauren from print to tv.

Chanel's strategy was different from many fine fragrance houses on two accounts. The first difference: The company has never gotten into the promotional giveaway game. According to D'Alessio, "It's been difficult to stick to this policy, but we've done it. Otherwise, you can reduce fragrances to a commodity business." The other difference is in distribution. For a long time, Chanel was, like L'air du Temps, a prestige line (with pricey tags that include $23.50 for two ounces of eau de toilette, and $165 for one ounce of perfume) with dual distribution in both class and mass outlets. But, says Kopelman, "We've cut back distribution, though we're still in some mass stores where we've liked their presentation, such as J.C. Penney."

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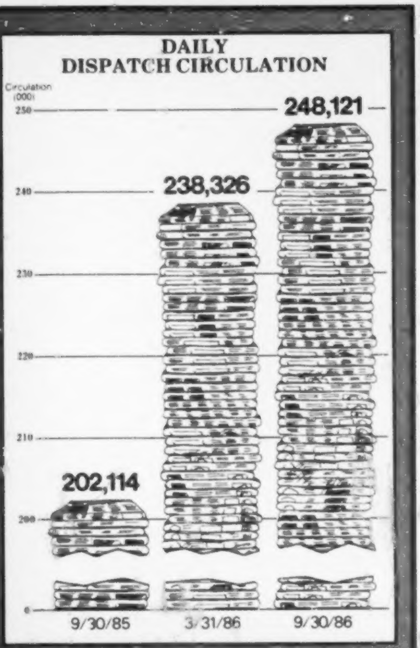

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McGRUFF HOUSE

TAKE A BITE OUT OF CRIME

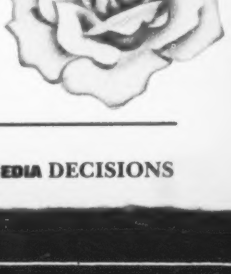
LAUREN

Designer scent Lauren, marketed by Cosmair, is another brand fine-tuning its positioning and advertising. Until last year, says Barbara Gyde, vice president, marketing, of Cosmair's women's fragrances, the advertising was "always reflective of Ralph Lauren's current fashion statement, usually featuring a model staring off into the distance, very pretty, but superficial and untouchable. Then last year, we featured an ad of a female model with a male child." In this ad, Lauren, which traditionally had an image of a "Yuppie brand," went from Yuppie to Yummy (Young urban mommy), which Gyde says "ties in with today's psychographics — baby boomers having kids, an emphasis on the next step in life."

Not only the creative, but the media mix has shifted as well. The brand's strategists at Cosmair and at agency Geers Gross have been moving "fairly high amounts of dollars out of print into tv." Why? "Print is necessary for image building, but we're an established brand; we already have awareness. Tv is much more action-oriented, especially since we do tv tied to our promos, with a retail tag at the end."

Specific tv buying guidelines, according to Gyde, are one-third early fringe, one-third prime, one-third late fringe. In prime time, the choices are usually "quality sitcoms and serials"; in late fringe, "quality shows such as *M*A*S*H*. For print, the guidelines are to "look at where the Lauren fashion ads go" — generally *The New York Times Magazine*, *W*, *Glamour*, *Vogue* and *Cosmopolitan*. ■

Lauren has shifted from a yuppie image to a "yummy" one. Ads now feature a new target: the young urban mommy.



ECONOMIC EYE

CATCHING UP WITH THE COST INDEX

After a brief hiatus, our long-running monthly Media Cost Index returns. Because of reporting differences, all data do not run through September. Spot radio and tv are reported quarterly, while the remaining broadcast media run one month behind our print entries.

MAGAZINE AD SCORECARD	Ad Pages Oct. 1986	% change from Oct. 1985	Dollars spent (000)	% change from Oct. 1985
1. Skin care, Creams, Lotions and Oils	194.23	+3.23%	$ 5,987.0	+25.22%
2. Lip and Eye Beauty Products	121.36	+20.50	3,971.2	+24.21
3. Scents and Fragrances	218.62	−17.62	6,013.5	−2.44
4. Facial Makeup Products	102.25	+30.52	3,827.8	+43.35
5. Prepared Dinners and Entrees (including Pizza)	74.92	+26.70	4,458.4	+65.72
6. Liquor	411.19	−5.00	16,431.9	+3.03
7. Cigarettes	611.88	−30.90	31,406.6	−29.59
8. Soaps and Detergents	61.04	+66.10	3,892.8	+55.07
9. Passenger Cars, Domestic	407.43	+42.84	21,667.3	+49.29
10. Passenger Cars, Imported	278.05	+31.39	14,696.3	+32.40

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

Medium	Jan.	% change	Feb.	% change	Mar.	% change	Apr.	% change	May	% change	June	% change	July	% change	Aug.	% change	Sept.	% change
Network TV																		
Daytime	210	+1	181	−5	182	−4	200	−0	219	−0	204	−0	209	+2	207	−0	–	–
Nighttime	230	+6†	215	−2	214	+4	231	−8	257	+3	225	+9	243	+7	225	+8	–	–
Spot TV (1984=100)																		
Prime time	128	+20	104	+19	125	+16	123	+16	123	+20	122	+20	–	–	–	–	–	–
Daytime	124	+24	109	+9	110	+9	107	+5	108	+9	111	+5	–	–	–	–	–	–
Network radio (1985=100)	122	+22	116	+16	113	+13	112	+12	113	+13	114	+14	104	+4	105	+5	–	–
Spot radio	←	—	246	+0	—	—	—	—	250	−0	—	—	—	—	—	—	—	→
Consumer magazines	205	+6	207	+6	207	+6	207	+6	207	+6	207	+6	207	+5	207	+5	208	+6
Natl. Sunday mags	226	−7	226	−7	225	−7	225	−7	224	−7	232	−4	232	−4	232**	+5	229	+5
Business publications	190†	+7	190†	+7	190†	+7	190	+7	190	+7	190	+7	190	+7	190	+7	191	+6
Daily newspapers (1980=100)	155†	+7	155†	+8	155	+8	156	+8	156	+8	156	+8	158	+8	159	+8	160	+8
Outdoor	227	+5	227	+5	231	+7	231	+7	231	+7	231	+7	231	+7	231	+7	236	+11

Notes: * Percentage shown is relative change from the same month the year before. ** *Family Weekly* changed to *USA Weekend*.
† Revised from earlier presentation—Business publications from 189 to 190; newspapers from 158 to 155. 1977=100 except where noted.

Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

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MARKETING & MEDIA DECISIONS

COVER STORY

THE BIG-BRAND PLAN 22

They used to be considered a cheap shot. Today brand extensions are *still* considered a cheap shot, but no longer in the pejorative sense. Such major marketers as Procter & Gamble, Campbell, Sunkist and Arm & Hammer are pushing their established products in new directions.

HAMMER
BAKING SO
Bicarbonate of Soda
NET WT. 64 OZ.
VALUE PRICE TOO!
22

FEATURES

YOU'RE ON! 30

Media folk are paying more attention to such cues to meet the demand for the media job skill of the '80's — stage presence. Clients want to hear their media news straight from the source, and that means you.

SPECIAL REPORT: SYNDICATION LET'S MAKE A DEAL 40

It was fun while it lasted, but once-booming barter now faces the same no-growth prospects as its network counterparts. The stagnant broadcast economy, a surplus of first-run programing in certain segments and prices that have grown closer to the nets' offerings all are making for a hard sell in 1987. Also, in a sidebar, a look at Bristol-Myers' moves in the market.

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Agency media professionals and major television advertisers discuss the issues facing the syndication marketplace.

LET'S SEE WHAT YOU'VE GOT 46

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Though liners are having some success reaching into the younger age ranks, all is not smooth sailing for this most luxurious of pastimes. They're only now coming out from under the airplane's shadow.

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The yellow pages come full circle in Boston with a phone-based advertiser information service. Also, Levi Strauss tests catalogs via Stone & Adler and mall shoppers encounter electronic direct mail.

UPDATE 8

Beech-Nut finds itself in court to answer charges of deliberately selling flavored sugar water in place of apple juice — and Gerber gets back a bit of market share. Campbell's, meanwhile, is putting the brakes on its national Juice Works rollout.

PROFILES 14

Incoming Conde Nast president-elect Bernard Leser brings an English accent to the American headquarters. At Saatchi & Saatchi, they're putting together a shopping list in the new consultancy division headed by Arthur Andersen's Victor Millar.

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If the Seven Sisters are proof, 1987 will be tough for magazines.

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Pepsico's corporate media man Henry Hayes joins the RAB.

January 1987, Vol. 22, No. 1
Cover photograph by John Stuart

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The debate on the economy in 1987 centers not on whether it will flourish, but on just how bad it might be. Our readers, in general, are equally concerned.

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Our New Year's guide to proposed legislative moves on the Hill suggests 1987 will be a challenging year for advertising lobbyists.

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Need proof that business-to-business advertising pays off? That's just what the ARF and the ABP are offering via an in-depth study.

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Despite all the controversy generated by health claims in advertising, a study chaired by John Stanton of St. Joseph's University shows no strong movement in this direction among food marketers.

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Clutter has taken on a whole new meaning in television due to a variety of developments. Be careful out there!

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As the emotional pitch catches on, the problems of gauging its effect become even more of a challenge. Some guidelines for marketing to the heart.

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Brand awareness as the be-all and end-all of marketing is at best a misguided strategy.

TELEVISION *Frank Massaro* 58

The corporate advertiser need not rule out television in forging a media plan, but the rules do change.

MAGAZINES *Michael Gross* 59

Can anyone explain the near-total absence of renewal data from the ABC pink sheets on publishers?

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PLAYERS HEDGE THEIR BETS

Barter syndicators are scrambling to cover their positions.

by Marianne Paskowski

Syndicators are doing their best to put on a happy face when discussing the programs bowing at the Association of Independent Television Stations (INTV) meeting in Los Angeles and the National Association of Television Program Executives (NATPE) confab in New Orleans this month. But it's not easy.

They rave about all the quality, first-run sitcoms or innovative programing ideas such as home shopping syndicated strips or daytime comedy hours now available. They cite the growing clout of the vertically integrated entertainment companies — Lorimar-Telepictures, Fox Broadcasting, Tribune Broadcasting, Viacom, Group W Broadcasting and MCA. These are companies, they point out, which can produce and distribute programs on their own stations or in partnership with other powerhouses so they can assure airtime. And salesmen that they are, the syndicators say they are sure relief from the desultory national ad scene is just around the corner.

But beneath the bravado, many syndicators are worried indeed about the broadcast economy. The bottom has already fallen out of the very crowded kids barter market. In terms of ratings, kids syndicated programing, on average, is running nearly 40% behind last year's Nielsens.

"This is a very dangerous game we're in right now," acknowledges Dan Cosgrove, Group W Production's vice president of media sales, and this year's president of ASTA, the tv syndicators' association. Group W, a major producer in kids programing, has hits including *She-Ra Princess of Power* and *He-Man and the Masters of the Universe*.

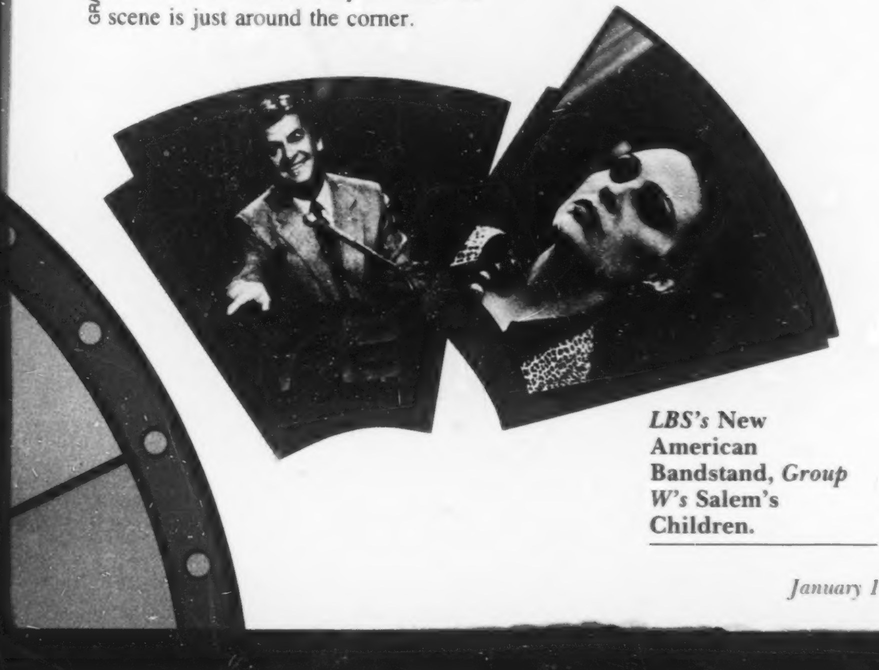
"The upfront commitment for a kids show is astronomical — 65 hours at $250,000 a half-hour," Cosgrove continues. "We might not see enough return on our money. There may not be enough ad dollars for us to recoup," he frets. "This is an area that will be very volatile over the next couple of years," he predicts.

Daytime hardly looks better. In that segment, a host of talk/variety and reality-based shows will vie for limited slots (see programing story, pg. 46). "I'm just amazed that anyone would even attempt to launch *any* product in daytime," says Clark Morehouse, vice president for media at Tribune Entertainment. "The upfront market last year for daytime was abysmal, and scatter is not picking up at all. It may take five years to get back to 1985 prices," Morehouse believes.

Even syndicators with first-run sitcoms are squeamish about the upcoming marketplace. This is despite the fact that many sitcoms sold last season are doing well in weekend access, i.e., *It's A Living*, *Mama's Family* and *Small Wonder*. But this go-round, at least 40 new first-run sitcoms will all attempt to find homes. Stations hope the surplus will help make programing prices more attractive because sitcoms, which are expensive to produce — $350,000 on average per half-hour episode — carry high license fees.

The economy itself and its impact on television ad revenues is another worry for syndicators. Agency buyers and Wall Street analysts pretty much expect demand for national tv time to remain soft, even though network and barter scatter markets have been heating up in the fourth quarter.

"While you are seeing some improvement in scatter, the year will be down," predicts Dennis McAlpine, broadcast analyst at Oppenheimer & Co. Concurs Richard Kostyra, J. Walter Thompson/USA's executive vice president and media director, "There are little blips, but the market is basically flat. And there are absolutely no signs that would lead me to believe that there will be a dramatic increase in ad revenues for 1987."



***LBS's* New American Bandstand, *Group W's* Salem's Children.**

GRAPHIC ILLUSTRATION BY JENNY ADAMS

The decline in demand for national ad time, plus the glut of first-run fare, has caused some syndicators to shift gears. Lorimar-Telepictures, for example, which already owns six stations in small- to mid-sized markets and is a disciple of the vertical integration concept, has nonetheless backed down from purchasing the six Storer tv stations. L-T chairman Merv Adelson cited a weak advertising marketplace as a reason for the canceled deal.

Another major player, Tribune Entertainment, has already decided to sit this round out on the first-run kids programing front. "We are reluctant to get involved in this area for next year," acknowledges Tribune Entertainment's Morehouse. The company currently sells the barter time in *Smurfs* and *G.I. Joe.*, and may handle Claster's *Jem* if it goes to strip.

Fearing that the weak advertising marketplace will prevail, other syndicators like LBS Communications and Television Programing Enterprises are hedging their bets and looking at the economics of the cash end of the syndication business.

The trend by syndicators to move away from barter has left some agency buyers wondering just how much barter time will be available next season. "Syndicators in a soft advertising market are going to look to generate more of their revenues back from cash, offering more cash, or cash-plus-barter deals," says Gary Carr, senior vice president, director of network operations for SSC&B. "And that could tighten up some of the barter inventory," Carr worries.

Top Five Barter Advertisers/ Jan.-Sept. 1986	Estimated Expenditures	Spots
Procter & Gamble	$40,152,350	1,603
Philip Morris	$27,251,950	1,416
RJR Nabisco	$15,944,550	939
Mars	$11,836,200	888
Kellogg	$11,718,900	1,041

Source: PKA analysis of Broadcast Advertiser Reports data.

But at Bristol-Myers, Pete Spengler, vice president of advertising services, is not convinced that the barter inventory will tighten up. "While the NBC O&O's have set the stage for cash/barter deals, I'm not so sure that there are enough stations out there willing to pay cash for programing," Spengler believes.

Karl Kuechenmeister, executive vice president of media at Lorimar-Telepictures, also envisions that more barter inventory will be available for next season. "In kids and late night, there will be just as much or more inventory, but less barter in early fringe and daytime," he advises.

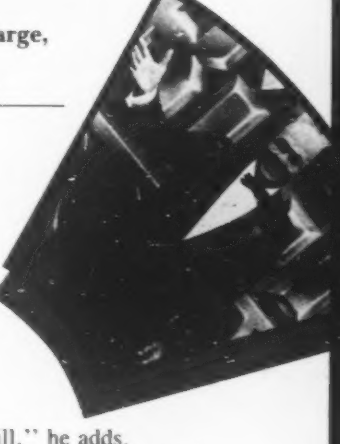
In addition to a net increase in the number of barter units for sale next season, Kuechenmeister is also looking for higher CPM's. "The networks will be looking for price increases next year and will get them," he predicts. "And that means we will follow suit."

At press time, buyers were trying to gauge supply and demand for barter time next year. This is difficult since most of next season's programs will not begin the clearance process for the fall 1987-88 season until NATPE.

While there was plenty of talk last fall about the early deals syndicators would strike to build a base before INTV and NATPE, few deals were actually made. The NBC O&O's did secure five, first-run sitcoms in cash/barter deals to complete their prime time access checkerboard. Two of those new sitcoms, both from MCA TV, *Out of This World* and *Bustin' Loose*, have already cleared 80% and 60% of the country, respectively. And Viacom's off-network hit, *Cosby* (which carries a minute of barter), was pulling in record-breaking prices in Chicago, New York and San Francisco.

Wearing his ASTA hat and capping off 1986 in syndication, Group W's Cosgrove predicts that the year will fall slightly under his $600 million revenue projection, "especially if the scatter market does not materialize as much as we think it will," he adds.

In general, Cosgrove thinks syndication will grow, but at a slower pace. "A smart advertiser," he says, "realizes that the biggest contributor to keeping a lid on network inflation is syndication. Advertisers," Cosgrove concludes, "ought to kiss the ground we walk on just because we exist." ■



Charles In Charge,
Gidget,
Strike It Rich.

BRAND REPORT

No. 139: Cruise Lines

LINER NOTES

by Paula Schnorbus

Cruising isn't strictly targeted to the tuxedo and evening gown crowd anymore. But even if activewear is the ship's normal attire, your sneakers had best be Reeboks and not Pro Keds.

The $3 billion cruise industry has been picking up a greater and wider range of passengers with the addition of less expensive, weekend cruises that include airfare. Still, the top 10 cruise lines go after potential cruisers with above-average annual household income of $30,000, while one company boasts clientele that rakes in annual family income of at least $200,000.

This is quite a turnaround. Cruising sank as a principal form of transpor-

CRUISE THE WORLD
MIKE QUON

Media Expenditures 1985 (000)

	Media Total	Magazines	Sunday Magazines	Newspapers*	Network Television	Spot Television	Outdoor	Spot Radio**
American Hawaii	5,717.3	2,473.7	651.9	1,977.4	—	38.2	434.1	142.0
Carnival	18,044.1	25.1	—	8,429.1	8,659.0	929.8	1.1	—
Cunard	8,791.4	—	—	8,791.4	—	—	—	—
Holland America	4,583.7	611.2	53.3	3,756.4	—	17.1	145.7	—
Norwegian Caribbean	10,023.0	254.8	20.4	7,043.4	2,352.8	338.3	—	13.3
Princess	8,336.3	—	—	8,107.7	—	—	—	228.6
Royal Caribbean	9,574.1	2,984.9	18.2	6,571.0	—	—	—	—
Royal Viking	7,301.1	2,254.1	73.7	4,889.1	—	47.1	—	37.1
Sitmar	5,795.5	578.0	61.4	5,156.1	—	—	—	—

*Sources: BAR/LNA Multi-Media Service, 1985 (LNA figures weren't available for Cunard and Princess cruise lines.); *Media Records/National Brand Expenditures, 1985; **Radio Expenditure Reports, 1985.*

Note: Expenditures for 1985 weren't available for Admiral Cruises Inc. since it was formed last year by these three principals: Eastern Cruise Lines, Western Cruise Lines and Sundance Cruises.

tation after airplanes took over transatlantic service in the 1950's. The leisure angle [illegible] in to take up the slack and by the 1970's, the cruise industry was growing at an annual rate of 20%, which recently has slowed to 10%, according to Ken Grant, cruise editor of *Travel Agent* magazine.

"Possibly, when demand was very good, [the cruise lines] ran into a situation where everyone was filling up their ships," explains Grant. "Then they raised prices. Nobody turned off. They were slow to readjust prices and fast to build new ships."

That produced the cruising industry's quirky debate of overcapacity versus underdemand. An onslaught of ships have been hitting the water and not enough berths are being filled. Critics call it overcapacity, but cruise advocates call it underdemand.

A.K. Lanterman, chairman of Cruise Lines International Association, maintained that overcapacity is necessary in the cruise industry.

"When demand is strong, many ships are ordered at the same time," said Lanterman, who is also president of Holland America Line-Westours Inc. "But oversupply is good because when the supply is there, the industry spends more money on promotion, which inevitably broadens markets."

Whether overcapacity or underdemand, the result is most cruise lines hold rate increases and use competitive discount programs to attract vacationers. On the trade side, commissions and other incentives are offered to the all-important travel agents as a way to [illegible] Travel agents do 90% to 100% of the cruise companies' bookings.

Only 3% to 5% of the U.S. population has ever taken a cruise. Although the cruise vacationer's average age is getting younger, Daniel A. Nesbett, chairmon of the New York chapter of the Travel & Tourism Research Association, says, "The seniors' market is the best overall market for cruise lines. Even though people in their 50's or 60's may not have a huge income, their disposable income tends to be higher. They've paid off their houses and gotten their kids through college."

One of the biggest problems facing the cruise industry is getting vacationers to take that initial cruise. Once they've done it, the repeat factor is high, says Robert Dickinson, Carnival Cruise Lines Inc.'s senior vice president, marketing and sales.

"Our job is kind of like telling a hermit about sex," quips Dickinson. "He won't know what you're talking about at first, but once he tries it, he's going to like it."

The most popular cruise spot is the Caribbean, with Alaska in second place, according to Grant. Alaska gained popularity after ships were rerouted from the Mediterranean because of the terrorist scare in the Middle East. This year some cruise lines have rescheduled Mediterranean cruises, citing rebounding tourist interest.

But overall, the trend is toward shorter cruises, stresses Nesbett. "People [illegible] childless couple in their 30's who are both working don't have time to take a two-week cruise. Fifty percent of women work, most full time. The long-weekend cruises have come on line to accommodate that kind of market."

Newspapers are the communicator of choice for cruise marketers, but "print can be one-dimensional," says William Smith, Sitmar Cruises senior vice president, marketing and sales. With television, "you can show action and what takes place aboard the ships," he explains.

Media Records puts the 1985 national ad investment figure at $91.9 million for newspapers. The industry, according to Leading National Advertisers, spent another $36.8 million in LNA's seven measured media in 1985, though that figure is very conservative. For the first half of 1986, LNA reports media expenditures were $22.9 million for the cruise industry. Six-month figures weren't available from Media Records.

The following marketing profiles are for the 10 largest cruise lines according to number of bed nights for 1987, or the number of beds multiplied by the projected number of nights in operation, as calculated by Cruise Lines International Association.

Ever Since You Were A Kid, You've Wanted To Take A Cruise.
ROYAL CARIBBEAN

Cruise lines position themselves as a dream come true.

CARNIVAL

Almost anyone who has ever seen a morning or evening news show has caught Kathie Lee Gifford crooning, "In the morning, in the evening, ain't we got fun?"

Carnival Cruise Lines Inc., which touts theirs as the "fun" ships, is finishing its twelfth year with 100% occupancy. It also has the highest double-occupancy passenger capacity and will reach 8,800 in March with the launch of a new ship.

Carnival's media budget alone will be more than $20 million this year. More than $10 million of that will be invested in network tv advertising, where 30-second spots are used, except during an *ABC News Brief* when a 15-second spot is plugged in.

"The average age [of a cruiser] used to be deceased" is a favorite line of Robert Dickinson, Carnival's senior vice president, sales and marketing. Hence, Carnival will keep Gifford in its ads this year because she is "perky, vivacious and fun," which is effective for Carnival's aim of bringing that average down.

"We're marketing to a younger clientele than the cruise industry," says Dickinson. About 30% of Carnival's passengers are under 35; 30% are over 55, and the balance is in the middle. Carnival operates in the Caribbean and around western Mexico.

Carnival also runs ads in newspapers in about 200 markets, using Sunday travel sections primarily in the U.S. and Canada. Fewer magazines are used, such as *Cruise Travel*, *Travel-Holiday* or the cruise section of *Modern Bride*. "We have done some *Sunset* or *Southern Living*, but it takes a real effort to get noticed. They're pretty thick publications," observes Dickinson.

Consumer discounts are pretty much limited to a "Super 'C' Saver," which slices $200 off the price of a cabin, according to Joy Cardieu, marketing coordinator. Carnival uses the promotion once or twice a year during slow periods if a ship "isn't booked as rapidly as we'd like." Referring to other cruise lines, Cardieu comments that Carnival doesn't "inflate rates and then come back with a $300 rebate."

Some lines are hoping for a younger cruiser and are adjusting their marketing accordingly.

Travel agents take care of 99% of Carnival's bookings. Dickinson says cruises are occasionally given away as incentive to travel agents, depending on the ships' space availability.

Carnival also has a contest called "mystery vacation" for travel agents. A Carnival scout anonymously visits a travel agent and inquires about vacations. If the agent's first suggestion is a cruise, he is awarded $10 on the spot. If the agent suggests a Carnival cruise, he wins $1,000.

"It allows us to see how travel agents sell or don't sell. It's as much of an industry program as a Carnival program," explains Dickinson.

NORWEGIAN

Norwegian Caribbean Lines' recent introduction of a new president, Rod McLeod, includes an introduction of a new advertising campaign beginning in March.

McKinney, Silver & Rockett of Raleigh, N.C., which previously was with Royal Caribbean, followed McLeod from his spot there as senior vice president, sales and marketing, to his new top post at Norwegian. Former agency Beber Silverstein & Partners in Miami had coined Norwegian's last slogan, "We're going to spoil you."

Ric Widmer, senior vice president, marketing and sales at Norwegian,

On which side of the bay is your bread buttered?

Photo location courtesy Arthur Rutenberg Homes

THE TAMPA TRIBUNE

The Tampa Tribune serves appetizing demographics daily and Sunday. Your advertising profits from the Tribune's elegant presentation of the basic ingredients of sophisticated selling.

The Tampa Bay market — Florida's number one market in terms of population, households and effective buying income serves you prospects on a silver platter.

The Tampa Tribune's readership represents a gourmet palate to the astute media buyer, offering more 25-54 year old readers, more readers in top level occupations, more households with children, more new car buyers, home computer owners and more households with $50,000+ annual incomes than any daily newspaper in the market.

The upper crust of the Tampa Bay market reads The Tampa Tribune. Without it, your media strategy is only half-baked.

For a wealth of detailed market information, contact Joe Gess, Tampa Tribune General Advertising Manager, at (813) 272-7447, or contact your nearest Sawyer-Ferguson-Walker office.

THE TAMPA TRIBUNE

A Media General Newspaper
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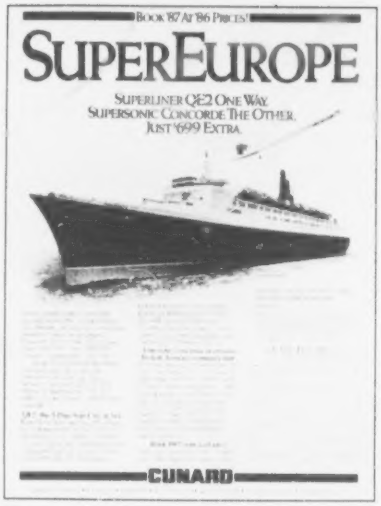
BOOK '87 AT '86 PRICES!

SUPEREUROPE

SUPERLINER QE2 ONE WAY.
SUPERSONIC CONCORDE THE OTHER.
JUST $699 EXTRA.

CUNARD

Cunard pairs the Concorde with its cruise packages.

notes the new strategy of the $15 million media budget, not including production costs, will include more network television, which will account for 60% of the cruise line's advertising. Norwegian will buy 15- and 30-second spots. He wouldn't elaborate on their placement in television schedules.

Magazines will account for 30% of Norwegian's advertising. More mass audience magazines such as *People*, *Travel & Leisure*, *Time* and *Newsweek* will be used.

Only 10% of Norwegian's advertising will be in newspapers, which previously had handled the main thrust. In its newspaper buys in the top 20 markets, Norwegian doesn't limit itself to the travel sections on Sunday, but also goes for the first section. Widmer points out that "newspapers' own research" has concluded that 45% to 90% of readers never get into travel sections.

Norwegian's target audience is anywhere from 35 to 49 years old with an annual household income of more than $35,000. These cruisers have had at least some college, are married, but don't have any children.

A new ship this year will bring total double-occupancy passenger capacity to about 6,300 from 4,664. With cruise prices holding steady, special discounts will be cut out entirely in 1987. Norwegian previously did a mail drop to several million households, offering dollars-off coupons and saving cruisers anywhere from $200 to $250.

Travel agents, who book 100% of Norwegian's trips, are offered familiarization cruises and seminars at sea on a space-available basis. They also may be offered a "walk-through for the weekend." Agents may eat on board a docked ship but stay in a local hotel.

CUNARD

Cunard, perhaps best known for its Queen Elizabeth II luxury liner, not suprisingly has a "very affluent target audience." Household income ranges from $40,000 to $200,000 a year.

Cunard is "so targeted that tv is not an appropriate medium," explains Ronald Santangelo, vice president, marketing communications. Because cruise prices have been flat, Cunard's advertising budget of more than $12 million enjoyed only a "nominal" increase this year.

Ads appear in the travel sections of Sunday newspapers in only the top 15 markets since the bulk of Cunard's business comes from New York, California and Florida.

Ads also appear in upscale magazines such as *Gourmet*, *Vogue*, *Town & Country*, *Travel & Leisure*, *Smithsonian* and *Architectural Digest*.

Cunard's seven ships with double-occupancy passenger capacity of 4,940 sail all around the world, in addition to its transatlantic cruises. Cunard continued its trips through the Mediterranean last year despite a dropoff in American tourists. In the past, those cruises had been 70% American and 30% European. Last year, the ratio was 55% American and 45% European after Cunard beefed up its advertising 30% in Europe.

Direct-mail marketing also is used. Cruisers can get discounts for selected dates, or even half price for one cruise if two are booked simultaneously.

Travel agents account for 96% of Cunard's bookings. For the sale of a few cabins on Cunard's less luxurious vessels, a travel agent can earn a compact disc player. If an agent sells five cabins, he or she wins a large-screen color television.

ROYAL CARIBBEAN

Royal Caribbean Cruise Line is increasing its media budget 30% in 1987

Time on my hands and a lot of money, too. What a life!

1 in 5 readers have taken 2 or more trips abroad in the last 3 years, and 13% have taken a cruise during that period.

50plus

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with the introduction of the "largest cruise ship in the world," Sovereign of the Seas, which boasts a 2,276 double-occupancy passenger capacity.

The Miami cruise line's working media budget will be $13 million to $14 million, according to Mike Petty, director of marketing.

Petty calls the introduction of the new ship Royal Caribbean's "biggest challenge." He added that the ship won't be tested by herself. As with Royal Caribbean's four other ships, which have a 4,220 double-occupancy passenger capacity, the cruise line will try to attract first-time cruisers from 35 to 54 years old with household incomes of more than $40,000 annually.

Special promotions don't sail with Royal Caribbean. "Royal Caribbean is unique in the cruise industry in that we do our best not to price promote," states Petty, who reasons that passengers get "more for the money [they] are paying."

Consumer advertising is confined solely to Sunday travel sections of daily newspapers and special travel inserts that appear in the papers during summer and winter. The inserts are available in about 25 local markets.

Sitmar will launch a television ad effort this year with image-building as its aim.

Overall, the marketing target is "international," says Petty. "Ten years ago, 60% to 70% of our business came out of the top 20 markets. Now those markets account for 40% of [Royal Caribbean's] business."

Royal Caribbean recently adopted Chiat/Day as its advertising agency following the jump of Rod McLeod, the cruise line's former senior vice president, sales and marketing, to his new post of president and chief operating officer of Norwegian Caribbean Lines. With him went the line's previous agency, Kinney, Silver & Rockett of Raleigh, N.C.

SITMAR

Sitmar started in 1939 as a transport ship moving immigrants between Southampton, England, and Sydney, Australia. But it's been a North American cruise line for 15 years now, and its Australian cruising clientele now accounts for only a quarter of its business.

The cruise line adopted Campbell-Ewald Co. as its ad agency last May, and this year marks Sitmar's initial voyage into television advertising. William Smith, senior vice president, marketing and sales at the Los Angeles-based cruise line, explains that television advertising will be used to communicate an image. "You can visually depict the setting you're trying to create," Smith says. "Radio or print ads are more effective at driving a price." The markets for what will probably be 30-second television spots weren't determined.

With the advent of electronic advertising at Sitmar, its 1987 advertising budget is up about 115% to $15 million, Smith reveals. Broadcast ads will take up about 15%, trade magazines 35% and consumer magazines and newspapers the remaining 50%.

Smith further adds that the tv spots will be aimed at image building, emphasizing "that Sitmar is a quality product for the experienced cruiser. Our past advertising was a lot less targeted and specific. We feel it's very important to position ourselves to the consumer and trade," he explains.

The retail message, with more pricing and details, will appear in newspapers, primarily Sunday travel sections and cruise sections of about 70 papers in the top 26 markets. Sitmar also will advertise in consumer magazines such as *Smithsonian*, *National Geographic* and *Travel & Leisure*.

Youth fever has not caught on with Sitmar. The average age of a North American Sitmar cruiser is 54 with a target household income of $35,000 a year. The line is going after "retired, older couples, middle-aged working couples, or more mature singles in their 50's," Smith points out. "The reason

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In The Caribbean, The Magic Number Is Three.
Holland America Line: Three Ships, Three Itineraries, Three Times The Experience.

This three-page foldout exhibits Holland America's Carribbean accent.

is cruises are longer, so we need to get to that segment with more disposable time or leisure to take a longer cruise." The bulk of Sitmar cruises go to the Caribbean, Alaska and Mexico.

North American cruisers will be offered a super-saver program with discounts on selected sailings. Sitmar also will offer advance-purchase discounts and group rates.

Travel agents book almost 100% of Sitmar's cruises in North America. Sitmar advertises in several trade publications, including *Travel Weekly*, *Travel Age West*, *Travel Age East*, *Travel Agent*, *Travel Trade* and *Tours & Travel News*. Sitmar offers travel agents familiarization trips, reduced rates and incentive programs.

Sitmar also offers a "partnership" program for smaller travel agencies, whereby they can win bonus commission dollars and cooperative dollars that go into an account from which they may draw funds for promotional and advertising needs.

PRINCESS

Advertising for Princess Cruises is going to play off our memories of the popular *Love Boat* television series by reeling in Gavin McLeod, who played the ship's captain.

"We feel he is just perfect as our spokesperson," says Michael Hannan, senior vice president, marketing services. McLeod will be featured in all consumer and trade advertisements.

The cruise line is reviving the Mediterranean trips it canceled last year because of poor sales and, so far this year, "bookings are encouraging," says Hannan. Princess's five ships, which travel around the world, have about a 3,800-passenger capacity based on double occupancy.

Princess considers its product "upscale," with most of its clientele over 35 with annual household income of $40,000 plus. "Our cruises tend to appeal to that group and older," Hannan notes, adding that two-week jaunts attract cruisers age 50 and older.

Consumers can save hundreds of dollars in advance bookings. "These discounts are very successful. They help us tremendously in planning and in advertising," says Hannan. "We have a better picture earlier of the popularity of various departures."

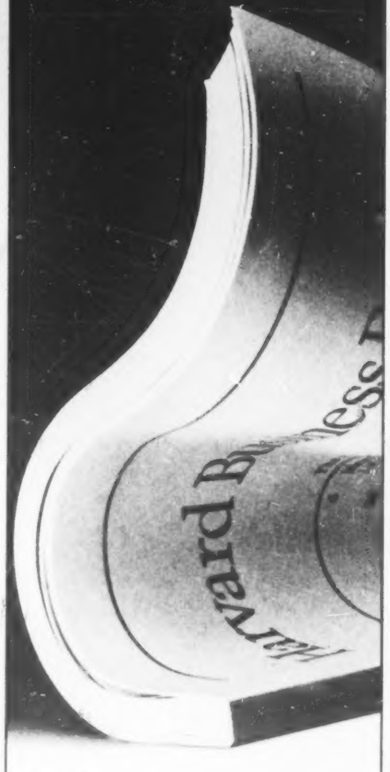
This year's advertising budget is $10 million, up from last year's $7 million. Annual revenues were more than $250 million last year, according to Hannan.

Like its competitors, the company advertises in travel sections of Sunday newspapers in larger market areas such as Los Angeles, Chicago, New York, Detroit, Dallas, San Francisco, Phoenix and Seattle. Since half of Princess's business comes from the western U.S., it invests half of its advertising budget there.

The cruise line runs ads in regional lifestyle magazines such as *Sunset*, *Southern Living*, *Los Angeles* and *The New Yorker*. It also buys ads in *National Geographic*, *Gourmet*, *Signature*, *Architectural Digest* and several consumer travel magazines, including *Travel & Leisure*, *Travel-Holiday* and *Cruise Travel*.

While Princess places four-color unit ads in travel industry magazines such as *Travel Weekly*, *Travel Agent* and *Travel Age*, it doesn't dangle free cruises in front of travel agents to generate sales even though they book all

COMMAND POST.



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of Princess's business.

"We don't do any real promotional stuff with the trade," outlines Hannan. "We prefer to work with travel agents by helping them with sending out brochures, doing presentations and cooperative advertising on a local market basis."

Princess hasn't done any spot market television advertising recently because "a lot of the information can't be condensed into a 30-second commercial," Hannan says. He noted that although television commercials could get complicated because of the cruise line's eclectic destinations, Princess is considering testing the medium again.

HOLLAND AMERICA

Holland America Line-Westours Inc. had its start 114 years ago carting immigrants from Europe to the U.S. Today, it concentrates on Caribbean and Alaskan leisure cruises.

Traditionally, Holland America's berths have been filled by cruisers age 45 and older, says Rich Skinner, corporate director of public relations and sales promotion. "There has been a trend toward skewing into a younger group in the last few years, especially in the Caribbean," he acknowledges. "Even Alaska seems to have a downward trend." Holland America goes for a "balanced" advertising product, says Skinner. "We haven't segmented like other cruises," adds Jan Edmonson, vice president, management supervisor, of Elgin Syferd, the company's advertising agency. "We don't think we can because demand is so small."

Holland America had $270 million in revenues in 1985. Skinner won't reveal the total advertising budget except to say the company spends "several million dollars." He adds that marketing, advertising and public relations expenses grow 20% yearly.

Holland America advertises mainly in Sunday travel sections of daily newspapers in 15 markets on the East and West Coasts. The West Coast provides about 60% of the cruise line's business, according to Edmonson. Print advertising is used because cruises are considered a "complex product" that require study, explains Skinner.

Edmonson details, for example, that Alaskan cruises are pitched to a "bit older" crowd in "upscale, consumer magazines," such as *Smithsonian*, *Travel & Leisure*, *National Geographic*, *Gourmet* and *Modern Maturity*.

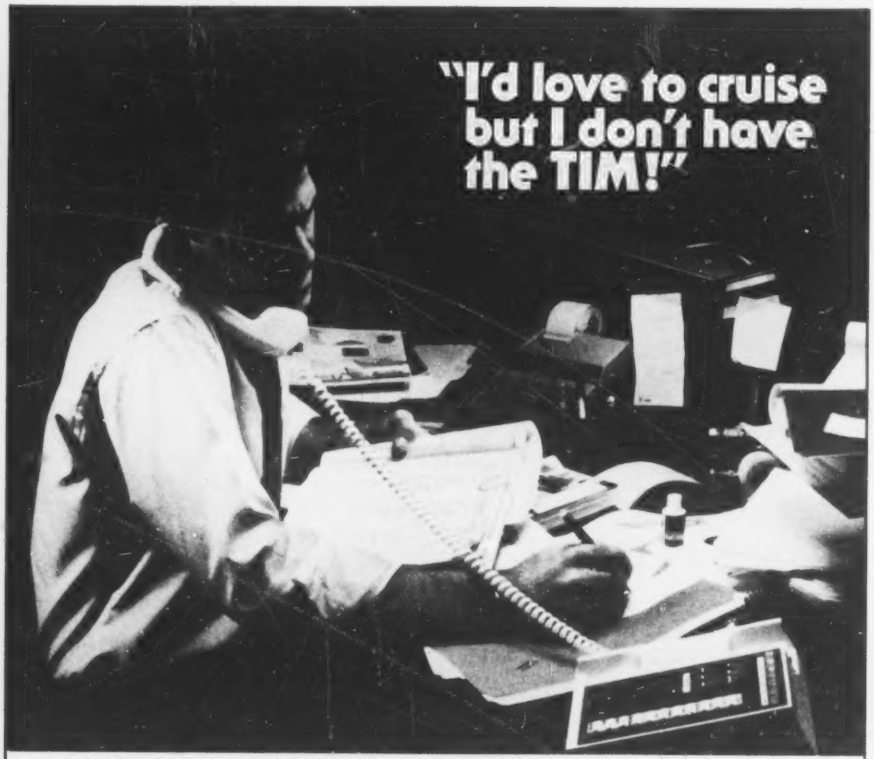
Holland America's "alumni" are the target of a direct mail program that includes newsletters and special discounts. And, if a cruise isn't filled near the departure date, a discount rate is advertised in select secondary markets via local newspapers.

Travel agents generate about 99% of Holland America's sales. The company creates incentive for travel agents by giving away cruises through lottery sweepstakes and various contests and trivia puzzles.

ADMIRAL

A cruise usually conjures up a picture of couples on romantic getaways. At Admiral, "housewives alone chaperon each other and have a ball," says Robert R. Mahmarian, senior vice president, sales and marketing.

Mahmarian said Admiral uses a


"I'd love to cruise but I don't have the TIM!"

Cruising definitely takes TIM—Time, Inclination and Money. Something Travel-Holiday's 2.1 million affluent readers definitely have! **Time:** in the past three years, 55% went abroad; a third took one or more cruises. **Inclination:** each year we receive nearly one million reader requests for more information, 75% of which lead to actual purchases. **Money:** with kids out of college and mortgages paid, our readers have an average annual income of $41,700. To reach these readers with the TIM to cruise, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money.

Our readers have it.

TRAVEL-HOLIDAY
GOT A COMET BY THE TAIL
Where to Tame

*Source: Erdos & Morgan, 1985

"shotgun approach" with consumers. "We're beginning to talk of the value of cruising as a vacation alternative to anything else," he says.

Admiral, which has three ships with double-occupancy passenger capacity of 2,504, is a combination of Eastern Cruise Lines and Western Cruise Lines and the recently acquired Sundance Cruises. The merger didn't affect the advertising agencies used by Eastern and Western, which will continue with Ryder & Schild Inc., and Sundance, which still uses Ehrig & Associates.

Admiral's passenger age ranges from 37 to 55 for its cruises, which hit the Caribbean, Mexico and Alaska. Average household income of cruisers is $30,000 to $35,000 a year.

spect more. A 30-second commercial can get you interested, but can't sell you a cruise."

Incentive programs for travel agents, who book 100% of Admiral's cruises, include some override commissions for large revenue producers, in addition to the usual 10% commission given throughout the country and the 15% commission in Florida. Admiral also shares ad costs with agencies through co-op advertising.

ROYAL VIKING

Royal Viking, which targets 50-year-olds who make more than $50,000 a year, reports that 50% of its cruisers sail with the line a second time.

East meets best. Royal Viking's China/Orient.
Royal Viking

Half of Royal Viking's passengers return to the line for a second sail.

Mahmarian explains that housewives and families are attracted to the cruise line because the third or fourth passenger sometimes gets a free ride as a special promotion.

Admiral's 1987 advertising budget is $11 million, according to Mahmarian. In the past, all ads were in newsprint. Next year, about 70% of the ads will appear in newspapers in about 82 markets. "We won't give up the travel section of Sunday newspapers," Mahmarian insists. The other 30% will be used for Admiral's entry into magazine and television advertising. Examples of Admiral's magazine selection include *McCall's*, *Southern Living* and *Sunset*.

In addition, Mahmarian notes, "About 60% of cruises are being decided by the man and not the woman, so a newspaper like *USA Today* is a good opportunity to advertise because it has that kind of mixed reader."

Television spot commercials are used as a "veneer, an overlay over other advertising," he adds. "When you're buying a cruise you need to in-

The "exclusive" luxury carrier almost splits its magazine and newspaper advertising 50-50, but 5% of its budget goes to cable television's Arts & Entertainment Network. "It's done rather well for us," says John B. Richards, vice president, marketing and planning, referring to the cable advertising. "It's the most targeted electronic media available to us. We just can't use broadcast media as effectively."

Richards noted that the cruise line's passengers usually have incomes of about $100,000. The target is someone who is an experienced cruiser and has taken an international vacation in the last three years.

Royal Viking's three ships, each of which hold 710 passengers double occupancy, travel to destinations around the world, including the path Leif Ericsson followed when he traveled to New Foundland almost 1,000 years ago, and a tour of Pacific battlegrounds of World War II.

Royal Viking's print schedule includes a variety of travel, literary and special interest magazines such as

LEADER READER.
Harvard Business

HBR is a unique publication, written and edited for decision makers worldwide. Another reason why top executives . . .

REACH FOR THE REVIEW.

Harvard Business Review
New York (212) 972-0740
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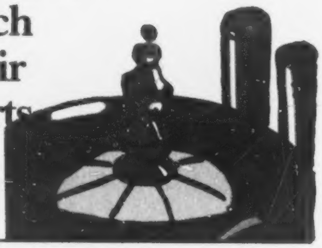
Travel & Leisure, Travel-Holiday, Signature, Harper's, The New Yorker, The Atlantic, Food & Wine, Gourmet, Bon Appetit, Architectural Digest, Better Homes and Gardens, Sunset, Golfer's Digest and theater publications such as *Opera News.*

The 15-year-old cruise line usually runs ads only in the travel sections of some 35 to 40 Sunday newspapers in the top 20 markets. Newspapers include the *New York Times, Los Angeles Times, San Francisco Chronicle* and *Christian Science Monitor.*

Royal Viking's media budget and its direct marketing budget are $6 million each. The direct marketing campaign goes to past Royal Viking cruisers who get tips on discounts and special interest programs.

Travel agents book 98% of Royal Viking's trips. The cruise line offers the agents familiarization trips at an "attractive rate," says Richards. Commission rates vary by program and type of cruise. Large volume producers get override or special commission rates as an incentive system.

Newspapers are the medium of choice for liners to pitch their ports



AMERICAN HAWAII

American Hawaii Cruises pitches its trips to the 35-and-older crowd with an annual household income of $30,000, according to Bob Monfrini, an account executive with keye/donna/pearlstein, the cruise line's advertising agency.

Although the cruise line is in the midst of planning its 1987 advertising campaign, due out in March, Monfrini said the bulk of ads will appear in newspapers, with magazines in second place. It isn't yet known if television will be used.

American Hawaii uses newspapers in 25 markets nationwide for its Hawaiian cruises. The emphasis is on West Coast newspapers for the Tahitian cruises, Monfrini said.

Trade books such as *Travel Age West, Travel Weekly* and *Travel Agent* will be used this year. American Hawaii also will run ads in *Sunset, Travel & Leisure, Signature* and *Islands,* Monfrini said.

In 1987, cruisers can score discounts by booking six months in advance and earn a free stay in a hotel before or after a cruise to get an extended stay in the islands, according to Monfrini.

The advertising budget wasn't available, but Monfrini said that Leading National Advertisers' total of $224,100 for January to June 1986 was a low estimate, while Radio Expenditure Reports shows $48,780 spent in spot radio for the six-month period. Media Records shows $2.0 million in newspapers for 1985. ■

Big numbers.

Tampa Bay is home to the biggest numbers in Florida. 1985 figures show that the St. Petersburg-Tampa-Clearwater metro area is #1 in the state in population, households, effective buying income, food and supermarket sales, eating and drinking place sales, car registrations and registered pleasure boats. If you want numbers that really add up, invest in the biggest and best newspaper in Tampa Bay, the St. Petersburg Times. Tampa Bay's most popular paper leads its closest competitor by nearly 60,000 copies daily and more than 68,000 on Sunday!* So start thinking big. Big numbers, big audience, big profits. Call your St. Petersburg Times representative today!
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Florida's Best Newspaper
Represented nationally by CWO&O.

*ABC 12 months ending 12/31/85

POINT/COUNTERPOINT/

THE ECONOMIC OUTLOOK: LOOK OUT!

THE CLOUDS

Overall U.S. economic growth should continue next year, but at a slow and uneven pace. As in 1985 and 1986, the economy should be led once again by the consumer sector (two-thirds of the economy) and by continued strength in the financial markets; capital goods industries and nonresidential construction are expected to lag. With few strong inflationary pressures likely, interest rates are widely expected to remain generally stable. Ironically, already weakened regions (such as the Southwest and Great Plains) may begin to halt their slide or even rebound next year, while today's relatively faster-growth regions (particularly New England and California) will likely lose some forward momentum.

For sure, even the sluggish economic growth expected next year is by no means assured. Unless the trade deficit closes significantly, many import-sensitive industries (such as textiles and apparel, consumer electronics and capital goods) will continue to face powerful competitive price pressures and erosion of domestic market shares. Another year of weak (or even negative) profitability in these industries could put many companies at risk and will jeopardize jobs throughout the goods-producing sector. These losses, in turn, would spill over inevitably into many of the service industries that have provided the bulk of new job creation since 1982.

Persistent large trade deficits would also strain congressional efforts to reduce the federal budget deficit. By curtailing domestic income growth, the disparity between imports and exports cuts into the government's tax base and precipitates serious revenue shortfalls that enlarge the budget deficit. If this occurs in 1987, federal spending cuts mandated under the Gramm-Rudman-Hollings Deficit Reduction Act would be invoked and the economy would lose a powerful engine of economic growth.

ILAN RUBIN

Ultimately, the most critical policy strategies next year may emanate from the Federal Reserve. Most economists expect the Fed to continue to pump up the money supply and push down interest rates indefinitely in order to sustain economic growth and reduce the exchange value of the dollar (which would make imports more expensive and U.S. exports cheaper abroad). Yet this policy stance is not riskless. Lower domestic interest rates and stronger total spending could increase consumers' appetites not only for U.S. goods, but for imports as well. They would also raise U.S. inflation rates and make it more difficult for the government to finance its debt. Under these conditions, the Fed could find itself forced to *tighten* monetary policy and to put *upward* pressure on interest rates, perhaps by mid-1987. Such a stance would strain many interest rate-sensitive industries (such as housing, cars and thrift institutions) and make additional economic growth very hard to come by.

Steven R. Malin is regional economist for the Economic Policy Research unit of The Conference Board, Inc.

OUR READERS TELL US . . .

With the forecast looking rather grey, Research USA, Chicago, polled a sampling of our readers to see how such thinking was affecting ad plans.

1. How do you think the economy will change over the next six months?

It will greatly improve	**—**
It will somewhat improve	**29.4%**
It will stay the same	**31.2**
It will somewhat weaken	**38.5**
It will greatly weaken	**.9**
	100.0%

Base: 109

2. What do think will happen to the following during the first half of 1987.

	Interest Rates	**Consumer Spending**	**Inflation**
Will rise	**34.9%**	**28.4%**	**38.5%**
Will stay the same	**38.5**	**45.0**	**61.5**
Will fall	**26.6**	**26.6**	**—**
	100.0%	**100.0%**	**100.0%**

Base: 109

3. Has your organization specifically revised its advertising budgets for the first half of 1987 because of economic uncertainty?

Yes	**41.3%**
No	**58.7**
	100.0%

Base: 109

If "Yes":

a. How much have your ad budgets changed overall for the first half of 1987?

They're up 1% to 9%	**33.3%**
They're up 10% to 19%	**11.1**
They're up 20% or more	**8.9**
They're down 1% to 9%	**26.7**
They're down 10% to 19%	**17.8**
They're down 20% or more	**2.2**
	100.0%
Total "up"	**53.3%**
Total "down"	**46.7%**

Base: 45

POLL

THE STORM

Fundamental long-term changes combined with short-run developments will propel the economy into a sharp downturn in the next 18 months. The advertising marketplace will also be buffeted by the confluence of both long- and short-run changes and it too will suffer a decline.

Over the past several years, the U.S. economy has become far more competitive as a result of deregulation, foreign competition and technological advances. The traditional corporate structure was created when only a few firms controlled an industry. The corporation was never designed to deal with true market competition. Much corporate activity lately has been focused on mergers and acquisitions, a fundamentally misguided strategy since smaller entities are better suited for a competitive environment. In the meantime, virtually all the new jobs and new production have occurred in the large number of new, smaller companies that have emerged in the last few years. By the next century, the traditional U.S. corporation will have given way to numerous smaller companies that can serve their market niches more efficiently.

In the short run, the loss in market share of the large companies is creating intense pressure for trade restrictions or tariff protection. Trade restrictions always lead to disaster. They create inflation. They choke off growth in productive and expanding industries in a vain attempt to protect stagnating industries. They curtail exports (the U.S. is the leading exporter) as foreign countries suffer a loss in trade income or retaliate with their own trade restrictions. They curtail the influx of productive foreign capital. And they have *always* resulted in an economic decline, the Great Depression being only the most dramatic example.

Budget deficits are also viewed as the great economic bugaboo because they supposedly fuel inflation and raise interest rates. The fact that interest rates and inflation have steadily fallen does not appear to have affected this view. It is true, however, that higher taxes deflate the economy. In any case, it appears that the pressure for higher taxes and some form of trade protection appears so great that something is likely to be enacted in the next year. Either one would be sufficient to derail the economy.

The timing could not be worse. The economic expansion that began in 1983 is getting long in the tooth and is losing momentum. The new tax reform, which in the long run will be beneficial, will in the short run encourage consumers to reduce their debt, which means reduce their spending. At the same time, the corporate turmoil is creating job insecurity that is usually reflected in a spending cutback as well. Thus, too many things are likely to go wrong in the next year which leads to the prediction of a sharp downturn sometime in the next 18 months. Real growth, on average, will be zero or negative.

David Wilkofsky is chairman of Wilkofsky Gruen Associates Inc., a business analysis and planning consultancy.

b. What changes were made for each of the following media?

	Consumer Magazines	Business/ Trade Publications	News-papers
Up	40.6%	48.8%	30.3%
No change	29.7	32.6	45.5
Down	29.7	18.6	24.2
Ave. % up	7.5%	15.5%	10.3%
Ave. % down	13.0	10.3	13.2
Base*	(37)	(43)	(33)

*** Based on those answering question**

	Television	Cable	Radio
Up	55.0%	25.0%	64.7%
No change	17.5	65.6	35.3
Down	27.5	9.4	—
	100.0%	100.0%	100.0%
Ave. % up	8.8%	8.0%	9.1%
Ave. % down	22.8	*	—
Base	(40)	(32)	(34)

*** Insufficient responses**

	Outdoor	Sales Promotion	Direct Marketing
Up	25.8%	34.4%	64.3%
No change	54.8	43.7	21.4
Down	19.4	21.9	14.3
	100.0%	100.0%	100.0%
Ave. % up	9.2%	11.3%	18.2%
Ave. % down	27.5	19.3	6.0
Base	(31)	(32)	(28)

4. Have there been cutbacks in your own organization over the past few months?

Yes	47.7%
No	52.3
	100.0%

Base: 109

If "Yes," in which of the following areas were cutbacks made? (Check all that apply)

Budget cuts	59.6%
Top management cuts	21.1
Mid-management cuts	46.2
Staff cuts	80.8

Base: 52

SALES PROMOTION

by Russ Bowman

WHAT'S "IN-STORE" FOR 1987

As the Point-of-Purchase Advertising Institute (POPAI) posted their 50th Anniversary, exhibitors and members attending their "Marketplace 86" at Expo Center in Chicago had plenty to celebrate. According to the association's survey of spending, P-O-P business volume for the first part of 1986 is up 22% over 1985.

What's more, results of their pilot study on supermarket shopping show 80.7% of all brand purchase decisions are made in-store (at the "point-of-purchase"). This represents a dramatic increase from the 64.8% in-store decision rate recorded in the first landmark POPAI/DuPont study in 1977.

POPAI defines purchase decisions in four categories:

1) Specifically Planned: shopping with a specific item and/or brand in mind.

2) Generally Planned: shopping with a category in mind, but not a specific brand.

3) Substitutions: switching brand decisions after entering the store.

4) Unplanned Purchases: impulse-purchased items not considered prior to entering the store.

The fourth category, impulse purchasing, according to the new POPAI study, now represents over 60% of all buying decisions (up from 47% in their 1977 study).

"This fact alone places an incredible emphasis on the importance of marketers having an in-store presence due to the tremendous impact of merchandising in influencing sales," notes Albert Saia, chairman of the board of POPAI and president of Thomas A. Schultz Co.

PROGRESSIVE GROCER

In-store like this is hard to miss.

POPAI's study shows that 80.7% of all purchase decisions are made in the store.

SAVE
$4.80
FREE
Money Saving Coupons
ACTNOW

ActNow gives out coupon booklets.

In some categories the in-store purchase decision rate is even more dramatic. According to POPAI news, "90% of cookie shoppers pick their brand while still in the aisles." Other high in-store purchase decision categories included canned soup at 79%, candy and gum at 81% and both coffee and soft drinks at 67%.

What's new in P-O-P: The annual POPAI trade show "Marketplace" exhibited the usual fare of displays with dramatic lighting, action and special effects. The POPAI study is certain to increase interest in in-store video terminals, especially those with interactive touchscreens that invite greater shopper involvement. One such company, ByVideo, offers two units that can be modified for various retailing needs. Its "InfoPort" and "Uniport" both feature laser videodisc players, infrared touchscreens and 16-color computer-generated graphics. Their "Uniport" model also includes a credit card reader and receipt printer which allows customers to order from the terminal.

Perhaps these "retail theaters," expensive as they are, will represent a more logical future for in-store technology than the attempts over the past five years to establish in-store coupon dispensing terminals. Most of these fell by the wayside (see "Sales Promotion," January 1986).

Catalina Marketing's "Coupon Solution" survived the coupon terminal fallout thanks to a unique twist. Their system is the first to employ checkout scanners which track purchases and print out coupons for Catalina's clients that either compete with the purchases or relate to them (a coupon for a baby powder to those who purchase disposable diapers, for instance). The Coupon Solution, which is now operating in Los Angeles and Chicago, has recently added Baltimore-Washington (Giant Food) and Dallas (Tom Thumb) to their list and expects to be in 700 stores by the end of 1987.

Meanwhile not all that's in-store for the future of P-O-P is designed to dazzle the eye. Interest in the music that plays above shoppers heads has been renewed with new tape broadcast and possibly even satellite systems that in-

SALES PROMOTION

P-O-P's success may put it back in the mainstream of companies' marketing budget plans.

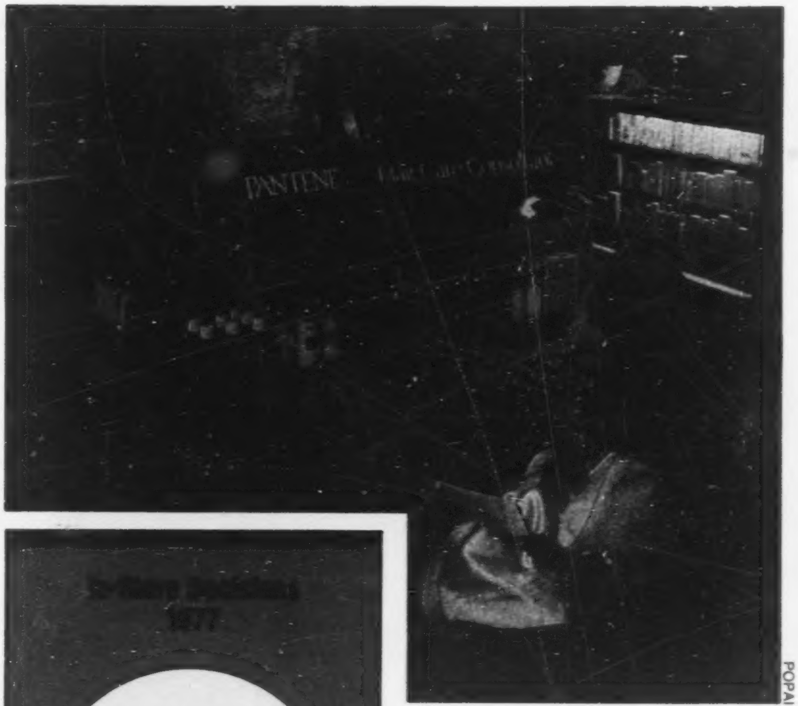
clude radio commercials for manufacturers products and retail features. One such system, POP Radio, kicked off their idea in chain drug stores and now is installed in over 4,000 drug units, including Eckerds, Brooks, Peoples, Thrift and others. POP Radio features customized, pre-recorded DJ-hosted programs that sound like "live" radio.

Like its visual counterpart, ActMedia, POP Radio offers advertisers *guaranteed* in-store advertising at very efficient rates. For example, a typical one-month, 30-second schedule on POP Radio delivers a CPM of 35¢, or about 2.9¢ per announcement.

Person-to-person in-store: In last January's article on in-store activity, demos and in-store couponing were identified as key growth areas in the promotion business. *Progressive Grocer*'s recent special report, "Merchandising in Action," confirms this trend and cites Vons Grocery, with 180 California supermarkets, for conducting 21,000 in-store demonstrations over a 12-month period. Ralph's (another mammoth West Coast chain) has "experienced sales increases of +400% from in-store sampling." One liqueur brand that normally sold about 100 bottles per store moved 1,800 bottles during the week of the sampling.

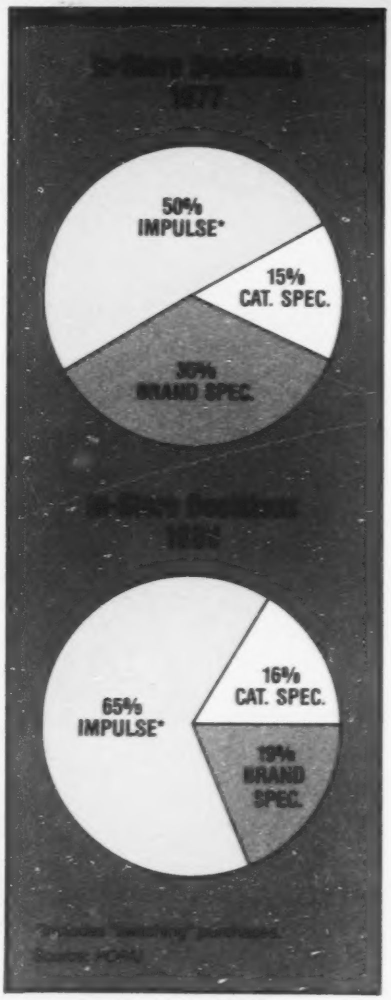
However, the co-operative in-store coupon hand-out programs have not been that successful for some companies. Both the Stratmar Company and Donnelley Marketing (Contact) have dropped their co-op planned national in-store plans. ActMedia, on the other hand, is more bullish on their "ActNow" national co-op that reaches approximately 12 million shoppers. They have scheduled six ActNow programs for 1987, one more than 1986. Their November 1986 co-op handed out booklets with $3.85 worth of coupons from Nabisco, Johnson & Johnson, Quaker Oats, Procter & Gamble, Sara Lee and others.

Once upon a time, many brands and companies had a separate column in the yearly budget for P-O-P advertising. Some still do. But, with the implications gleaned from POPAI's newest survey and the trend to guaranteed "implimentations," P-O-P advertising may well be back in more marketing budgets through the end of the 1980's, and beyond.



POPAI

New technologies mean new opportunities to get attention.



TOOLS OF THE TRADE

by Wallis E. Wood

CHRIS REED

WHAT A DIFFERENCE A PAGE MAKES

In his heart of hearts, the typical top executive at an industrial company does not believe that business-to-business advertising works. Oh, he'll run an ad here and an ad there, even a six-page schedule when he has a major push, but he doesn't believe the way the typical consumer goods company executive believes that advertising makes sales.

The Advertising Research Foundation/Association of Business Publishers study of the relationship between business-to-business advertising and sales may change that.

"Results of the study demonstrate that business-to-business advertising in vertical trade publications can have a substantial positive effect on sales," says Michael J. Naples, president of the ARF.

Naples, in reporting the findings for two of four products studied at an ARF conference this fall, said, "In both instances, sales levels increased as the number of advertising pages was increased, and in general the rate of sales increase — three- and even four-fold in some instances — was consistent with the rate of increase in ad pages."

The study, a joint effort of the ARF and the ABP, was originally conceived in 1983 and fielded in 1984 after an industrywide fund-raising effort that brought in $390,000 from 47 publishers, agencies, manufacturers and research companies. Sponsoring organizations contributed $6,000; the four advertisers with a participating product contributed $30,000 each. Participating publishers contributed incremental advertising space (beyond that of the advertiser's "normal" schedule) at half the regular cost.

The ARF and ABP agreed going in that they would publish the results whether or not a link between advertising and sales was established. The ARF was entirely responsible for the study's design and implementation; the ABP promoted industry support. A 10-person management control group created for the purpose monitored the project from the beginning. Only this group, plus the president and research director of the ARF and its research company (International Communications Research of Media, Pa.), know the identities of the four products studied and the publications in which they were advertised.

The study had three objectives: to measure the effect of business-to-business advertising on the sales of a variety of products; to identify the role of the intervening variables; and to evaluate varying media weight and ad frequency schedules.

The first chore was choosing the products. Since the advertising campaign was set for a one-year period, the researchers had to select products for which observable change would be possible within a year. They gave priority to products in the growth stage of their life cycle. "The more room there is for growth in market share or total sales, the easier it should be to observe and measure that growth," says Naples. "In addition, it was important that prior attitudes and opinions about a product not unduly confound the experiment." They therefore gave priority to new entries, products not previously advertised and post-recession entries into advertising markets.

They had to find products that manufacturers advertise in vertical trade publications that have computerized circulation lists and with virtually all circulation controlled. Finally, they had to select products for which "clean" sales data were available — sales numbers both accurate and as free as possible from influences outside the experiment. "We did not want the participants to upset the test by introducing another new product with the same name or carrying out some blockbuster advertising during the one-year period," says Naples.

Ultimately, 15 companies offered 18 different products, filling out an elaborate questionnaire on each. The four products the ARF chose were:

- A disposable safety product. It sells for under $10, but is usually bought in lots. It has a large number of potential buyers, and the time between an initial purchase consideration and the actual sale is relatively short. While this is not a new product for the manufacturer, the company is trying to reach a new market with it.
- A commercial transportation package that costs around $10,000, has a large number of potential buyers and a moderately complex purchase process (because it has a long life span and is a major expenditure). The various components all exist, but they have never been packaged together before. Also, dealers sell this product to end-users throughout the country, which means that the manufacturer can advertise to the dealers, to the end-users, or both. The study used both dealer and end-user magazines.
- A construction material.
- Highly specialized laboratory equipment.

While the ads for these last two products have run, ICR is still collecting the sales data. Results will not be available until mid-year.

Each product was advertised for a year in appropriate vertical publication(s), with the circulation lists divided into light, medium and heavy advertising cells.

The Profit/Advertising Relationship

Disposable safety product

Level of Advertising	Index Cumulative Profit after 15 Months
None	100
Six black/white only	268
Six black/white, one color	360
Six black/white, four color	444
Six black/white, 11 color	510

Commercial transportation component package

Level of Advertising End-user	Dealer	Indexed Cumulative Profit after 11 months
None	None	100
Low	Medium	114
Medium	Low	118
Medium	Medium	158
High	Medium	164
Medium	High	239
High	High	242

Source: Advertising Research Foundation

The light cell consisted of "normal" advertising schedules, which, of course, varied by product. The medium cell consisted of approximately twice the number of ad pages as the light cell, while the heavy cell consisted of approximately four times the number of pages as the light cell.

With the disposable safety product, not only was the pattern of sales response clearly tied to advertising levels and timing, but both sales and profits (based on advertising cost-effectiveness) were maximized at the highest advertising level (see table).

With the commercial transportation component package, the study actually measured nine cells (low, medium and high for both dealer and end-user publications). Naples reports that between June and December 1985 — the seven months after the first ad started to have an effect — sales in the "high/high" cell were 3.5 times those in the "low/low" cell. And while the profit indexes are not those of the safety product, they show the same positive relationship.

William O'Donnell, the ABP's executive director, hopes that the study's findings, which include attitude and product awareness and reader service and 800-number inquiry data, as well as sales results, will change some industrial company executives' attitudes. "Seeing the results that are possible with a doubling or quadrupling of existing page levels should be a real eye-opener for advertisers," he says.

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THE LAST WORD

by John L. Stanton, Ph.D.

HEALTH CLAIMS IN SMALL DOSES

Stanton sees no strong trend.

The controversy concerning the over-use of health and nutrition claims in food advertising continues to hold the attention of most food marketers.

Now, after years of dialogue, the FDA is expected to revise its policy on diet, health and food advertising. While the dialogue goes on, however, food companies have continued to advertise their products and, to various degrees, have made health and nutrition claims.

To assess the state of such claims, research has been conducted, under my supervision, by the Academy of Food Marketing at St. Joseph's University, with the support of Campbell Soup Company.

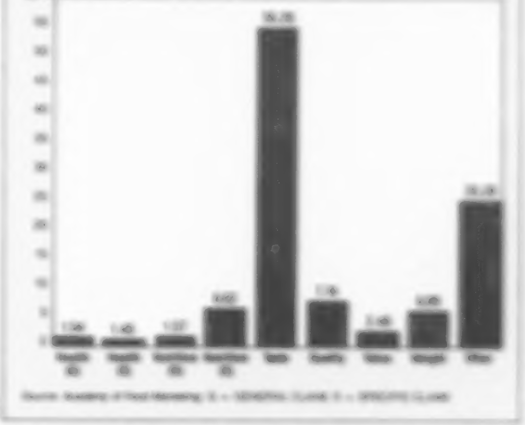
The results, based on advertising claims examined during the year 1985, proved that health concerns have thus far had little effect on the way the food industry has advertised.

The Academy of Food Marketing began tracking changes in the mix of advertising claims in print media in 1985, with special attention given to health and nutrition claims. Print ads were tracked to show the variety of appeals made.

The 21 magazines in the study were *Cosmopolitan, Better Homes and Gardens, Good Housekeeping, Family Circle, Ladies' Home Journal, Prevention, Reader's Digest, TV Guide, Self, Woman's Day, Modern Maturity, Glamour, McCall's, Newsweek, People, New Woman, Redbook, Seventeen, Time, Vogue* and *Southern Living*.

Food ads were categorized according to the type of claim(s) made. The seven claim categories used were health, nutrition, taste/flavor, quality, value, weight control and a miscellaneous/other category. Health and nutrition claims were specifically given two classifications — "general" and "specific." (See chart).

A "health-general" claim is where a health outcome was suggested as a possible result from use of the product group or from a nutrient in that product group. However, no specific disease, condition or malady is mentioned in the ad. Also included in this category would be recommendations from health organizations such as the American Heart Association where the reference is just "Recommended by." without a reason. "Health-specific" claims are similar to health-general except that the health outcome is specifically mentioned in the advertising.



The same structure was used in the nutrition category to distinguish between general and specific claims. Advertising claims that refer to the body's nutrient content without being specific, e.g., "all the nutrition your body needs," were classified as "nutrition-general." Also, ads where most nutrients are mentioned, such as meeting 100% of all the RDA's, were classified as nutrition-general. "Nutrition-specific" claims would include ads where specific nutrients or minerals such as sodium or calcium were mentioned. One additional point is that ads that mentioned the caloric content were classified as "weight control" and not nutrition-specific. The other claims are self-evident.

In summary, food manufacturers do not appear to have jumped on the bandwagon of making health claims. Health and nutrition claims are among the smallest claim categories. The use of health claims is the lowest of any claim category — health-general, 1.54%, and health-specific, 1.40% of all claims made. Nutrition-general was 1.57% and nutrition-specific was the largest of the four at 6.62% of the claims. Taste/flavor appeals dominate *all* categories, covering 55.2% of all the claims made.

Is the food industry reluctant to make health claims because they feel that other claims such as taste are more persuasive? Do they feel more scientific substantiation is needed first? Are they waiting for a response from the government agencies such as the FDA? Regardless, the food industry has demonstrated a "wait-and-see" attitude and is waiting for a responsible reply from the government agencies.

John L. Stanton is the C.J. McNutt Chair of Food Marketing Research at the Academy of Food Marketing, St. Joseph's University, Philadelphia.

C2950-3
2/17/87

MARKETING & MEDIA DECISIONS

ORT:
R IN CABLE

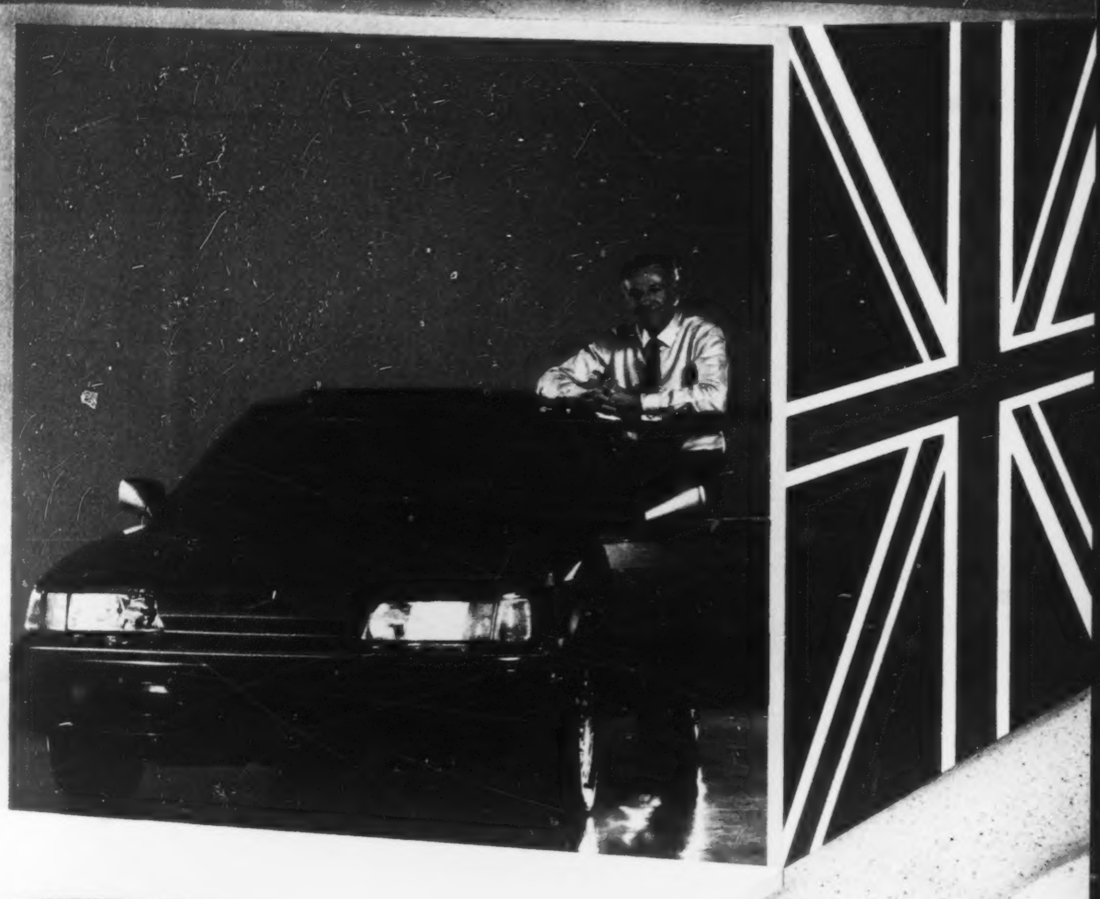
FEBRUARY 1987 • $4.00

STERLING GOES FOR THE GOLD

Super-autodealer Norm Braman is leading the British Sterling into America's upscale imported car market.

BEAMING IN ON NEWSPAPERS

BRAND REPORT: INSURANCE



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GREG CHRIS
CONGRESSICNAL INF SVC
452C EAST-WEST HWY #800 DIR
BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

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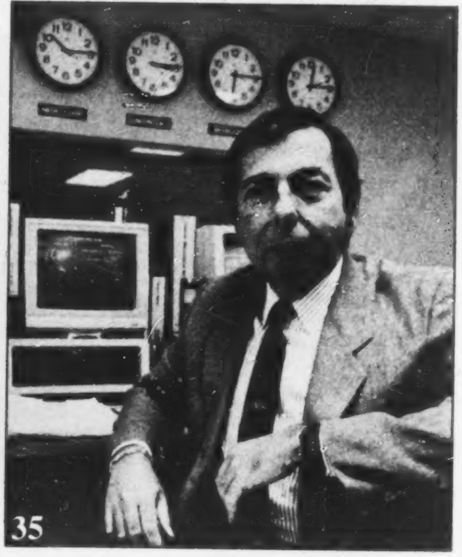
Cover illustration by Jenny Adams; photo by Randy Taylor



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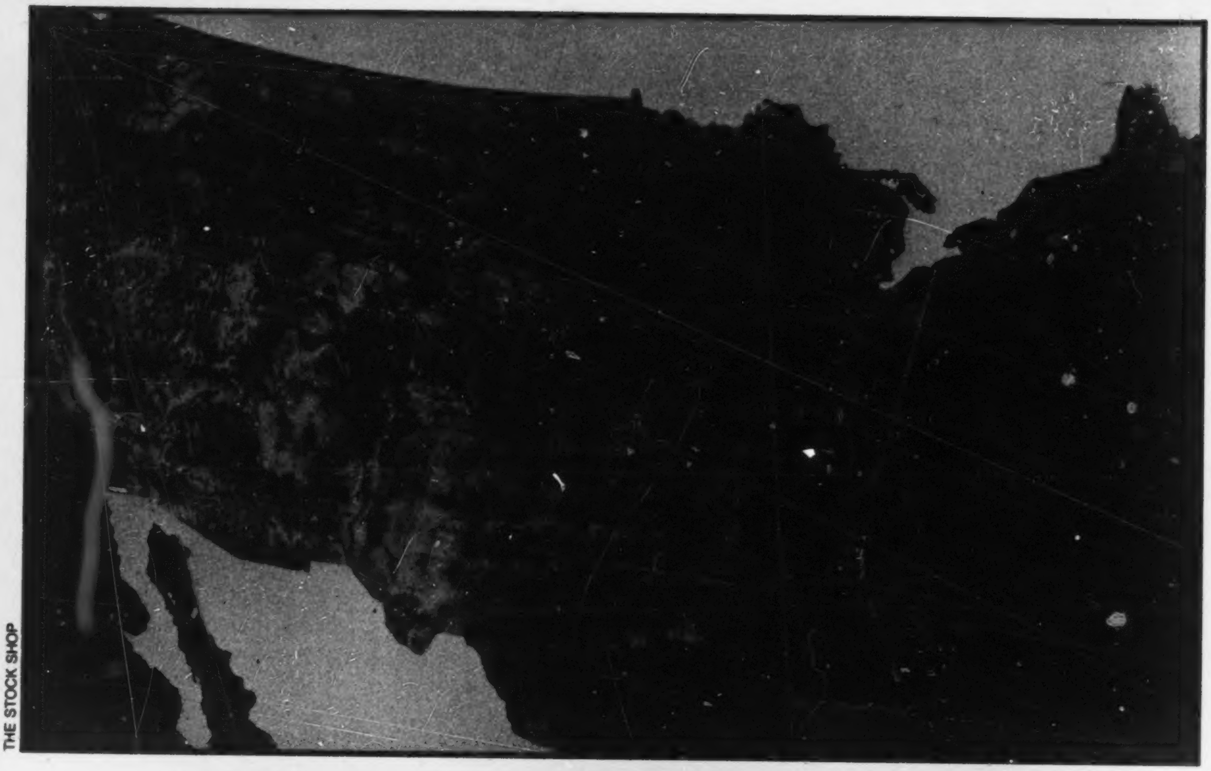


THE STOCK SHOP

ZEROING IN WITH A NETWORK BUY

by Marianne Paskowski

Advertisers, hungry to get the most for their television dollars, and the three television networks, starved for ways to add a little pepper to the marketplace, are taking a closer look at the possibilities served up by regional advertising. Although the practice has never accounted for more than 2-to-3% of the major network television networks' combined revenues, new satellite technology and the increasing use of regional marketing by national advertisers may make it a more popular media buy in 1987.

Regional network buys were created under duress in the early 1970's when there were widespread complaints that access to network tv gave national companies an unfair competitive advantage. Smaller companies threatened legal action if the networks did not offer regional advertising packages they could use to market more effectively.

The networks reluctantly agreed to do so. However, they added a strong caveat. Any such sale would be subject to a match so that the network would ultimately wind up with a national sale. For example, an advertiser could request certain regions but his order would only be taken if the network could find other advertisers interested in reaching the remaining parts of the country during that time slot.

The networks do not charge a premium for this buy except for a nominal fee for splitting the feed. So if an advertiser chose a feed to 20% of the country, his cost would be roughly

Regional networks are causing a buzz among advertisers, and the tv networks are listening. The affiliates, however, are crying foul.

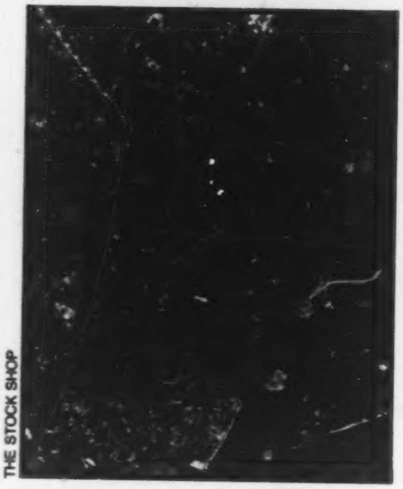
20% the price of the full network cost.

While many advertisers shy away from the cumbersome practice, some regional advertisers and national advertisers with regional needs have made it work. "Over the years, the partners have found each other. Their demographic and timing requirements have been figured out in advance," explains Jerry Dominus, vice president sales, CBS Television Network. "It's a pretty small club whose members keep playing over and over again."

In 1985, the total for regional network advertising was $179 million, split among some 283 brands. Figures for the last three months of 1986 were not available at press time, but for the first nine months of 1986, the Television Bureau of Advertising (TvB)'s roster of regional advertisers sports Anheuser-Busch, Bristol-Myers, Campbell Soups, Kraft Foods, Lever Bros. and Procter & Gamble. At the nine-month point, the biggest regional spenders in 1986 include Red Lobster Inns ($19.9 million); Ford Motor ($10 million) True-Value Hardware Stores ($8.8 million) and Pearle Vision Center ($6.7 million).

Given the players involved, it's not surprising that many predict interest in regional network buys will grow. "It will grow because of the increased interest in regional marketing," believes William Claggett, the former Ralston Purina advertising executive who now heads up a consultancy, Media Management & Associates.

Furthermore, satellite technology will allow the networks to customize regional packages, offering advertisers more options than with the old method of landline transmission. All three networks will finish conversion from landlines in mid-1987.


THE STOCK SHOP

Initially, advertisers won't see much difference between landline and satellite transponder transmission, says Brent Staranathan, director of telecommunications, broadcast operations engineering, ABC. "We're still learning, and the key will be how the new technology can be used in a cost-effective manner," Staranathan adds.

"But advertisers will be able to be more creative. While we are trying to keep the regions as we had them under the old landline system, we will also try to personalize and sectionalize the country, provided that does not cause a lot of problems. For example, if an advertiser wanted to replicate what he had on the landlines, say the Northeast, he could do that easily, plus add another distant market, like a city in Texas," Staranathan adds.

That technological wizardry worries affiliate stations. They fear that advertisers may perceive regional network as an *alternative* to national spot, and a much cheaper alternative at that. "When you compare a regional network feed with the spot markets in that region, it is much cheaper to buy the regional network," acknowledges Roger Rice, president of TvB.

While advertisers generally say they do not substitute regional network feeds for spot tv buys, nonetheless, the efficiency of regional network is hard to overlook. "In a number of cases it does make sense to buy the network feed rather than a spot schedule," attests Lou Schultz, executive vice president, director of media services at Campbell-Ewald in Detroit. C-E made some regional network buys for client General Motors last year and will be doing even more in 1987.

"Maybe you could buy a regional feed with five key markets for $10,000," Schultz continues, "and a spot schedule in those markets for $9,000. But for that extra $1,000 you are picking up maybe 20 other markets that you would not get with spot. If you can use the weight, then it makes plenty of sense."

That fact of life has tv stations worried, especially in a year where tv advertising expenditures are expected to be modest at best. "We are having discussions with the network to get their assurances that regional is not a direction they want to pursue," explains

NETWORK REGIONAL INVESTMENTS—ADS (000)

QUARTER	1981	1982	1983	1984	1985	1986
1	$ 29,530.6	$30,911.5	$31,294.5	$33,398.4	$35,249.1	$38,230.8
2	36,929.0	37,720.8	31,940.1	39,233.9	51,181.1	47,085.3
3	27,407.4	26,466.6	30,295.7	41,701.4	43,211.0	42,882.0
4	37,077.2	36,199.8	42,887.2	49,393.4	49,643.2	–
FULL YEAR	**$128,944.2**	**$131,298.7**	**$136,417.5**	**$163,727.1**	**$179,284.4**	–
% OF TOTAL NETWORK FULL YEAR	2.3%	2.1%	1.9%	1.9%	2.2%	–
Y.T.D.	–	–	–	–	2.2%	2.1%

Phil Jones, chairman of the CBS affiliates advisory board and vice president and general manager of KCTC-TV, the CBS affiliate in Kansas City.

Most network executives, careful not to upset the delicate balance of affiliate relations, tend to downplay talk of potential growth for regional network. They say this is not an area they aggressively sell, but rather, just another service they provide.

CBS' Dominus says he expects to write up about the same amount of regional business this year as he has in recent years. "The affiliates are nervous about the mechanical capability, but the realities of the business are that the advertisers are not that interested in going market-by-market and the true regional advertisers don't care about the new hardware," Dominus argues. "This is advertiser, not technology driven."

At ABC, John Tiedemann, senior vice president, general sales manager, does not expect a lot of growth in regionals, either. "The new technology will probably allow us to customize lineups more than we have, but the objective will be to have advertisers take *larger*, not smaller, portions of the country," he concludes. Indeed, Tiedemann adds, "A lot of clients start on a regional basis before they become national. That's why we do it, in the hopes that they will become national."

Another network executive expects new interest to come from advertisers with co-op funds. Regional network for co-op does appeal to Peter Hronek, director of marketing services for Culligan International, a Northbrook, Ill., water treatment company.

THE STOCK SHOP

Hronek handles co-op funds for 160 Culligan dealer associations, most of which goes into spot tv and radio. So far, Hronek has made no regional network purchases, but he is intrigued with the idea. "We need to know how this will all shake out, and the cost. But we would like to have more control and continuity, instead of having the buying influence go through 30 local agencies," Hronek explains.

Actual users of regional network feeds readily sing their praises, but acknowledge that it does take a little extra work when compared to putting together a spot tv schedule. And that's the reason they are not widely used, believes Pat Kane, a former Beatrice Foods executive who is now senior vice president of marketing at Mediatech, a company which delivers commercials via satellite. When at Beatrice, Kane had made a number of regional tv buys. One, for Butterball turkey cold cuts, used network feeds in daytime tv as the product began its rollout in the South. Another buy covered the entire country, with the national network ad unit carved up so that east of the Mississippi River, viewers saw Tropicana commercials during the *American Music Awards*; in the Southwest, Rosarita Mexican products; in the Midwest, dairy products; and on the West Coast, Arrowood Water.

"These products were traditionally using spot tv or radio as their primary source of communication," Kane explains. "Those regional brands did not have the same opportunity to use highly leverageable media vehicles like blockbuster prime time specials or high-rated prime time programs, which for the most part don't have avails on a market-by-market basis. Yes, you can buy around the programs, but rarely into them," Kane explains.

"When we analyzed cost based on the coverage factor that Tropicana was using, it would have been impossible for Tropicana to buy any kind of schedule like that on a market-by-market basis," Kane concludes.

Still, not everyone is enamored with regional network television. At Vitt Media International, Hal Katz, executive vice president, points out many problems with the buy.

"This is not a big part of our business because with regional network you have no control of inventory," he says. "It is very difficult to do, getting matched up. Secondly," he continues, "clients think it gives them better efficiencies than they get in spot. But when you analyze all of the markets the regional network covers and the real needs that the marketer has in those areas, spot turns out to be more effective. It may not be as efficient CPM-wise, but it is more efficient in terms of less waste," Katz comments. ■

REGIONAL NETWORK ADVERTISER'S SUMMARY
NUMBER OF BRANDS

QUARTER	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1	29	49	46	55	72	81	143	120	120	103	93	135
2	43	45	68	65	71	99	150	130	107	104	121	132
3	55	66	57	70	86	125	116	140	120	134	141	152
4	48	51	50	71	108	114	121	115	104	154	134	
FULL YEAR	95	103	99	120	184	226	303	296	273	304	283	

Source: Television Bureau of Advertising

CABLE AD SCORECARD

A GUIDE TO THE TOP 20 AGENCIES IN CABLE, BY BILLINGS

YOUNG & RUBICAM

Paul Isaacson,
Executive vice president,
broadcast programing and
purchasing

Clients using national cable:
Adidas
AT&T
Canada Dry
Chiquita Banana
Clorox
Colgate-Palmolive
Disney Productions
Dr Pepper
Du Pont
First Brands (old Union Carbide)
Ford Corp.
Ford Division
General Foods
Heublein
Jamaica Tourist Bureau
Johnson & Johnson
Kentucky Fried Chicken
Kodak
Lincoln-Mercury Division
NYNEX
Olympic Stain/Paint
Pillsbury
Richardson-Vicks
Suzuki
TWA
UNISYS
U.S. Postal Service
Warner-Lambert

Networks used: A&E, CBN, CNN, CNNHS, C SPAN, TNN, Nickelodeon, TWC, BET, SIN, FNN, Lifetime, MTV, USA, WTBS, ESPN

1986 billings: $47 million
Projected 1987: same

FOOTE, CONE & BELDING

Jim Cunningham,
Vice president,
associate national broadcast
director

Clients using national cable:
Alaska
Amana
Bell Atlantic
CALRAB
Campbell
Carnation
Clorox — CIBA Geigy
Colgate
Coors
Data General
Dial Corporation
Fred Alger
Frito-Lay
H.I.S. Jeans
Kraft
Levi's
Long John Silver's
Marriott
Mazda
Orion
Pearle Vision
S.C. Johnson
Sunkist
Zenith

Networks used: WTBS, CBN, CNN, USA, ESPN, TNN, MTV, A&E, Lifetime, FNN, TWC, Nickelodeon, VH-1

1986 billings: $25 million
Projected 1987: $28 million

Key to Abbreviations

A&E: Hearst/ABC Video Enterprise Alpha Repertory Television Service.
BET: Black Entertainment Television.
CBN: CBN Cable Network.
CNN: Cable News Network.
CNNHS: Cable News Network Headline Service.
ESPN: Entertainment and Sports Programing Network.
FNN: Financial News Network.
LIFETIME: Women's service/health and fitness from Hearst/ABC/Viacom Entertainment Services.
MSG: Madison Square Garden Sports.
MSN: Modern Satellite Network. General information channel, including the Home Shopping Show.
MTV: 24-hour contemporary music channel.
NICKELODEON: All-children's. Nick at Nite: family fare.
SIN: National Spanish Television Network. All Spanish programing.
TEMPO: Satellite Programing Network. Talk shows, movies, how-to's.
TNN: The Nashville Network.
TWC: The Weather Channel.
USA: USA Cable Network.
VH-1: Video Hits One.
WGN: Chicago superstation.
WOR: New York superstation.
WTBS: Atlanta superstation.

BBDO

Stephen Grubbs,
Senior vice president,
director of national tv buying

Clients using national cable:
Apple computers
Campbell
Casio
Delta
Dodge
Du Pont
Frito-Lay
Honeywell
General Electric
HBO
Lever Bros.
Manley & James
Pepsi
Philips Petroleum
Poloroid
Visa
Wrigley

Networks used: ESPN, CNN, USA, WTBS, CBN, TNN, MTV, Lifetime, BET, TWC, A&E, VH-1

1986 billings: $25 million
Projected 1987: $27 million

D'ARCY MASIUS BENTON & BOWLES

Irwin Gotlieb,
Senior vice president,
national broadcast and
programing director

Clients using national cable:
American Dairy Association
Amoco
Cadillac-Pontiac
Corning
FTD
General Foods
Mars, Inc.
Procter & Gamble
Whirlpool

Networks used: USA, TWC, CBN, CNN, CNNHS, WTBS, Lifetime, FNN, MTV, ESPN, SIN

1986 billings: $24.5 million
Projected 1987: $26.5 million

J. WALTER THOMPSON

Norm Varney,
Senior vice president,
U.S. director
new electronic media

Clients using national cable:
American Gas Association
ANCO
Baskin Robbins
Benetton
Burger King
Champion
Diet Center, Inc.
Eckerd Drug
Emery
Fisher Price
Ford
Gerber
Goodyear
Kemper
Kodak
Kraft
McDonnell-Douglas
Nestle
Orkin
Oscar Mayer
Quaker
Reichhold Chemical
Rolex
S.C. Johnson
Scott
Twentieth Century Fox
U.S. Sprint
U.S. Marine Corps
Walker Manufacturing
Warner Lambert

Networks used: A&E, BET, CBN, CNN, CNNHS, ESPN, FNN, Lifetime, MSG, MTV, TNN, Nickelodeon, SIN, TWC, USA, WGN, WOR, WTBS

1986 billings: $22 million
Projected 1987: same

DDB NEEDHAM

New York:
Bart McHugh,
Senior vice president,
director of national
radio/tv programing

Chicago:
Wes Dubin,
Senior vice president,
broadcast director of
network tv and radio

Clients using national cable:
Amtrak
Audi
Chanel
Colombian Coffee
First Nationwide Network
Frito-Lay, Inc.
General Mills
GTE
H.J. Heinz
Hershey Chocolate
Michelin
Mobil
Ramada Inn
Rubbermaid
Seagram Wines
Sears
State Farm Insurance
The Nashville Network
Universal
Volkswagen
Wm. Wrigley Jr. Co.

Networks used: MTV, WTBS, Lifetime, USA, CNN, BET, Nickelodeon, Nick at Nite, ESPN, TNN, VH-1, TWC, CNNHS, A&E, CBN, Tempo

1986 billings: $22 million
Projected 1987: same

GREY ADVERTISING

Alec Gerster,
Executive vice president of media and programing

Clients using national cable:

- BF Goodrich
- Block Drug
- Borden
- Canon USA
- Capital Cities
- General Foods
- Holly Farms
- Kenner
- JRAP
- Playtex
- Procter & Gamble
- Quaker State
- Red Lobster
- Remington
- Stroh Brewery
- Timex
- Warner Bros.
- Warner Home Video

Networks used: CBN, CNN, WTBS, ESPN, FNN, Lifetime, USA, MTV, Nickelodeon, SIN, TNN, VH-1

1986 billings: $19.2 million
Projected 1987: $20 million

DFS/ DORLAND WORLDWIDE

Beverly O'Malley,
Senior vice president, director of electronic media

Clients using national cable:

- American Cyanamid
- Florida Dept. of Citrus
- General Mills, Inc.
- Helene Curtis
- L'eggs Products
- Nabisco/Lifesavers
- North American Philips
- Northwest Airlines
- Peter Paul
- Pioneer
- Procter & Gamble
- RC Cola
- Toyota
- Wrangler
- Wendy's

Networks used: CNN, CNNHS, WTBS, MTV, ESPN, Lifetime, Nickelodeon, USA, TNN, CBN, SIN, A&E

1986 billings: $18.2 million
Projected 1987: $19.5 million

OGILVY & MATHER

Lawrence Cole,
Senior vice president, head of New York media

Clients using national cable:

- American Express
- Campbell
- CBS Entertainment
- Columbia Pictures
- Duracell
- General Foods
- Harris/3M
- Kimberly Clark
- Mattel
- NutraSweet
- Owens Corning
- Publishers Clearinghouse
- Sandoz Corp.
- Seagrams Wine Cooler
- Shell
- Schering Corp.
- Sears

Networks used: WTBS, A&E, BET, CBN, CNN, CNNHS, USA, ESPN, MTV, Lifetime, TNN, TWC

1986 billings: $16.5 million
Projected 1987 billings: $18.5 million

SAATCHI & SAATCHI COMPTON

Carol Karasick,
U.S. media director

Clients using national cable:

- American Motors
- British Airways
- Johnson & Johnson
- PaineWebber
- Procter & Gamble
- Thompson Medical Int'l
- Union Underware

Networks used: CBN, CNN, BET, WTBS, USA, A&E, ESPN, MSG, TNN, Lifetime

1986 billings: $16.0 million
Projected 1987: same

LEO BURNETT

Willard Hadlock,
Senior vice president,
director of media services

Clients using national cable:
Allstate
First Brands
Heinz
Hewlett Packard
Kellogg
Kraft
M&M/Mars
McDonald's
Mrs. Smith Pies
Oldsmobile
Pillsbury
Procter & Gamble
RCA
Richardson-Vicks
Seven Up USA
Starkist
United Airlines

Networks used: ESPN, WTBS, CNN, USA, CBN, Nickelodeon, Lifetime, CNNHS, TWC, TNN, FNN, MTV, A&E, VH-1

1986 billings: $12.5 million
Projected 1987: $13-$15 million

BOZELL, JACOBS, KENYON & ECKHARDT

Ted Paskowitz,
Associate director
of network operations

Clients using national cable:
American Airlines
Chrysler Import Cars
DeLaurentiis
Faberge
Kawasaki
Lorimar Motion Pictures
Merrill Lynch
Tony's Pizza
Valvoline Oil
Vice-Grip Tools
Weiders Health & Fitness

Networks used: A&E, CBN, CNN, ESPN, FNN, Lifetime, MTV, USA, VH-1, WTBS

1986 billings: $12.5 million
Projected 1987: same

McCANN-ERICKSON

Ira Carlin,
Senior vice president,
media director

Clients using national cable:
AT&T Communications
Century 21
Coca Cola
Black & Decker
Hilton Hotels
Johnson & Johnson
Mennen
National Dairy Association
Nestle
Texas Instruments

Networks used: CNN, WTBS, MTV, ESPN, A&E, FNN

1986 billings: $10.5 million
Projected 1987: $13 million

TED BATES

Joel M. Segal,
Executive vice president,
director of network tv

Clients using national cable:
Carter Wallace
Kal Kan
M&M/Mars
Panasonic
The Prudential
Prudential Bache
Uncle Ben's
U.S. Navy
Xerox

Networks used: CBN, WTBS, ESPN, Nickelodeon, MTV, USA, CNN, FNN

1986 billings: $10.4 million
Projected 1987: $10.0 million

WILLIAM ESTY COMPANY

Thomas Winner,
Senior vice president,
director of
broadcast operations

Clients using national cable:
Dole Food Company
Genesee
MasterCard
Minolta
Nissan
Noxell
Tambrands
Texaco
The Travelers

Networks used: A&E, CNN, ESPN, MSG, MTV, TNN, VH-1, WTBS

1986 billings: $8.3 million
Projected 1987: $10 million

CUNNINGHAM & WALSH

Virginia C. Shields, Vice president, director of tv programing

Clients using national cable:
- C.B. Fleet
- Panasonic
- Procter & Gamble
- Schieffen & Co.
- Sterling Drug

Networks used: WTBS, CNN, CBN, Lifetime, MTV, ESPN, USA, TWC, TNN

1986 billings: $8 million
Projected 1987: same

WELLS, RICH, GREENE

Bob Geis, Senior vice president, corporate media director

Clients using national cable:
- MGM/UA
- Miles
- Procter & Gamble

Networks used: WTBS, CNN, ESPN, USA, MTV

1986 billings: $7 million
Projected 1987: $9 million

CAMPBELL-EWALD

Judith E. Sawyer, Senior vice president, director of national broadcast

Clients using national cable:
- A.C. Delco
- Chevrolet
- GMAC
- Howard Johnson's
- Mennen
- National Car Rental

Networks used: WTBS, CNN, CNNHN, USA, ESPN, TWC, FNN, TNN, CBN, MTV, A&E

1986 billings: $7 million
Projected 1987: $8.5 million

N W AYER

Robert Igiel, Senior vice president, director of programing and network negotiations

Clients using national cable:
- AT&T Communications
- AT&T Corp.
- Bahamas
- General Motors
- J.C. Penney
- Seven Up
- U.S. Army

Networks used: MTV, A&E, CNN, WTBS, CBN, TWC, ESPN, Lifetime, BET, USA, C-SPAN, FNN, TNN

1986 billings: $5.5 million
Projected 1987: $7 million

DAILEY & ASSOCIATES

Marc Feidelson, Senior vice president, media director

Clients using national cable:
- Armorall
- Carnation
- Honda Motorcycles Division
- Honda Power Equipment Division
- Teleflora

Networks used: ESPN, MTV, WTBS, USA, CNN, Tempo

1986 billings: $3.5 million
Projected 1987: $4 million

AS THEY SEE IT

MEDIOLOGY

by Ed Papazian
President,
Media Dynamics, Inc.

NATIONAL TV SPOT DOLLARS IN JEOPARDY?

It's not surprising to note the continued softness of the national tv spot sale market. More and more advertisers with highly variable regional or local sales potentials are taking the easy path by converting their television dollars to cable, network or barter syndication investments. As the ad agency mega-merger cycle continues, their preference will lean to more profitable media buying — with leaner staffs focusing on network rather than city-by-city time purchases — while clients who do not develop meaningful regional or local market promotional strategies (already the majority) are likely to fall in step with this "big picture" outlook.

The stations are unwittingly contributing to the declining interest in national spot buying by playing hardball on the issue of 15-second spots. A few top 100 market network affiliates still refuse to sell them while others, though making this concession, charge premiums and preempt such spots readily — all in an attempt to discourage :15's. Needless to say, advertisers who rely heavily on shorter commercial lengths, and find willing takers at the network/barter syndicator level, will look unfavorably on spot in consequence.

Ignorance is also part of the problem. Numerous media plans inform clients with teen or 18-34-year-old consumer targets that tv is not a good medium for them. This, of course, reflects their national thinking. Since ABC/CBS/NBC rarely program for such demographics, the only options seen by the agencies are shows like *Saturday Night Live*, barter syndicated entries like *Solid Gold* or cable's MTV; prime time is too expensive and regular late-night fare doesn't hit teens with enough frequency.

But how about spot? What about the vast 12-17- and 18-34-year-old audiences generated by Monday-Friday sitcom/adventure rerun strips, by once-a-week sitcoms on weekends, by prime time movies on independents, by reruns of *Star Trek*, *The Twilight Zone*, *The Honeymooners*, etc., etc.? National network thinkers seem totally unaware of these options. And the stations aren't getting their message to the planners or the brand managers, who might be very interested. When a client needs city-by-city impression weighting, plus timing flexibility, spot offers unique advantages that national network buys can't match. If nothing else, the two should go hand-in-hand in many cases where only network purchases are being considered.

Several media executives have suggested that the national television reps might create "spot" networks, just as their radio counterparts have. The idea has great merit, though obviously this would pose a major threat to barter syndicators. Imagine a special sales arm selling flexible, market-weighted, national schedules with guaranteed rating and demographic delivery in key cities — and of course, a better CPM than network. Nielsen would audit the national audience, while every schedule would be verified from affidavits punched in to reflect actual air times. Arbitron or NSI data would provide the market-by-market analyses.

Of course there are problems, but most of these are similar to those worked out by the radio folks. If the spot tv network idea was attempted, and it generated a fair return to the stations, it would make spot buys much easier to make, hence attractive for "national" thinkers at the agency and client level. Moreover, it might prove a boon to smaller markets (which are often overlooked in top 25, 50 or 75 market buys) and to weaker UHF's in larger cities which also get short shrift (unfairly) on many occasions. ■

TELEVISION

by Stephen H. Martin
Chairman, CEO,
Cabell Eanes Advertising

TV AND THE GOOD LIFE

Modern marketing turns 50 this year when the American Marketing Association celebrates its first half century the week of February 23-28. Because the basic tenet of marketing is to find out what customers want and give it to them, and because marketing oils the wheels of our economy which brings prosperity, the theme of Marketing Week is, "Marketing makes a good life better."

As U.S. chairman of Marketing Week, I've had the opportunity to reflect on what has given impetus to our business over the last 50 years, and it is clear to me that the most important happening was television, which is why I'm focusing my attention on the medium this month.

Television is perhaps the most important invention since movable type. It has changed our lives in countless ways. It has become the modern equivalent of the ancient hearth. We spend almost as much time with it as we do asleep or at work. We were transported to the moon by it. We won't elect a public official who doesn't look good on it. We buy the products that it introduces to us.

Television has had just as profound an effect on the business of marketing goods and services as it has had on our daily lives. For example, the medium can take credit for modern marketing's heavy reliance on demographics to define target audiences. Before tv, magazines and newspapers defined what they had to sell to potential advertisers in terms of the number of copies they distributed. Then they realized they were competing with tv's total audience figures. So Simmons started measuring total magazine audiences, too, and while they were at it they began to measure the kind of people who read particular magazines. Thus, the modern concept and use of demographics was born.

Moreover, I believe that the growth of modern marketing and television and the corresponding growth of our economy are interrelated. In constant dollars, the GNP increased by 259% from pre-tv 1948 to post-tv 1985, while the population grew only 63%. Much of this new wealth came about because of the powerful new marketing tool of television.

The owners of magazines, radio and newspapers should not be too hasty to lament the birth of tv, either. While television now captures 22% of all advertising dollars, the size of the total advertising dollar pie has also grown by almost 22%, from 1.95% of the GNP in 1948 to 2.37% of the GNP in 1985.

The other members of the media mix can hardly complain when expenditures on newspaper advertising, for example, have increased 223% in

PRE-TV VS. PRESENT
ADVERTISING EXPENDITURES IN MILLIONS OF DOLLARS

		1948 In 1985 dollars	% Total	1985	% Total	1948 to 1985 % increase/ (decrease)
Newspapers	Total	7,783	35.8	25,170	26.6	223.4
	National	1,690	7.8	3,352	3.5	98.3
	Local	6,093	28.0	21,818	23.0	258.1
Magazines	Total	2,127	9.8	5,155	5.4	142.4
Farm Pubs.	Total	250	1.2	186	0.2	(25.6)
Television	Total	0	–	21,300	22.5	–
	Network	0	–	8,285	8.7	–
	Spot	0	–	6,004	6.3	–
	Syndicated Barter	0	–	530	0.6	–
	Local	0	–	5,714	6.0	–
	Cable	0	–	767	0.8	–
Radio	Total	2,507	11.5	6,490	6.8	158.9
	Network	941	4.3	365	0.4	(61.2)
	Spot	540	2.5	1,335	1.4	147.2
	Local	1,026	4.7	4,790	5.1	366.9
Direct Mail		3,073	14.1	15,500	16.4	404.4
Business Papers		1,120	5.2	2,375	2.5	112.1
Outdoor		589	2.7	945	1.0	60.4
Miscellaneous		4,273	19.7	17,629	18.6	312.6
Total – National		12,466	57.4	53,355	56.3	328.0
Total – Local		9,256	42.6	41,395	43.7	347.2
GRAND TOTAL		**21,722**	**100.0**	**94,750**	**100.0**	**336.2**

Source: TvB; Bureau of Labor & Statistics constant dollars since 1948, and when magazines are up 142%. Local radio, after a period of adaptation, actually boomed after tv came on the scene. The medium has posted a whopping increase of 367%. Of all consumer media categories, only network radio experienced a constant-dollar decline from 1948 to 1985.

Today, television may be passing through a similar sort of revolution that radio passed through during those earlier days. While cable tv has not lived up to the expectations of many industry pundits, total advertising expenditures in the medium have rocketed from $58 million in 1980 to $767 million in 1985, an increase of well over 1000%. Barter has also burst onto the scene with an increase from $50 million to $530 million during the same time frame. Thus, forms of tv that hardly existed as advertising media prior to 1980 now capture over a billion dollars in ad revenue.

Some might say that television does not make a good life better — that we'd be better off sitting by the fire listening to grandpa weave a tale. But if we did that, imagine all the fads that might not happen, and all the wonderful new products that might otherwise take years to catch on. And imagine the countless jobs that might not exist to manufacture and market these wonderful new products.

As the sage said, "Nothing happens until somebody buys something." If people didn't buy, *none* of us would have jobs. And, as the evidence states, nothing encourages people to buy more than television. ■

RESEARCH

by Tim Teran

Vice president,
associate director,
marketing and research,
Grey Advertising Inc.

ILAN RUBIN

HAVE YOU EVER WONDERED?

Have you ever wondered about some of the comments people make after a major strategic research presentation?

Strategic studies are broad-scale, quantitative surveys of consumer attitudes, behavior and characteristics, usually commissioned with the belief that they will provide the consumer insight needed to guide meaningful, motivating communications strategies. Yet, the comments I often hear after seeing the results of these types of studies make me wonder.

From marketing people . . .

- Price/value seems like a rather broad positioning to me.
- I already knew my target was women between 25-49 years old, but who are they?
- But why do people want to buy my product?

From creative people . . .

- That's great! But now, how do I make advertising?
- Now we should do some focus groups to learn how consumers really feel about our brand.

Companies spend major amounts of money on strategic research commissioned primarily, if not solely, to identify a communications strategy with the greatest leverage for motivating consumers. So, why is it that so often the recommendations from strategic studies conducted for fashion apparel products might just as easily apply to household cleaning products (and vice versa)?

Simply put, there seems to be a lack of sensitivity or specificity to the learning from many strategic research studies — so much so that I often question the real value they have in truly guiding communications efforts.

Why is it that strategic research all too often does not really aid creative efforts? Is it that strategic research cannot do what it purports to do?

I believe the answer is, yes, it can do what it purports to do, and it *does* in some cases — albeit too few. If you are in agreement so far, the next question becomes, how can we increase the percentage of strategic research studies that really do provide specific information that helps guide communications strategy for marketers and advertisers? What is it that goes on in the process of planning and conducting genuinely helpful strategic research that differentiates it from all the rest?

Over the years at Grey, I have lived through many of these studies for a variety of products, from traditional packaged goods such as household cleaning products and convenience foods to more typically image-driven products such as cigarettes, liquor and cosmetics. Based on this experience, I have found several key areas in the strategic research process where really good research departs from the pack:

1) **Planning:** All too often the planning stage of a strategic research study entails meetings of corporate researchers and a research company and occasionally marketing management to outline the nature of the issues to be covered and the development of hypotheses to be tested via research.

Most if not all of the really insightful strategic research projects I have been a party to have begun with in-depth discussions that include not just research people (the purveyors of information) but, most importantly, agency and corporate creative and media people as well as agency account management and corporate brand management personnel — the people who ultimately have to use the research.

And here I don't mean merely reviewing a questionnaire before the study is fielded — by then it is too late. I mean conducting management audits with advertising, media and brand management people early on in the planning process (even before the final proposal is submitted to management) so that their hypotheses about how people think and feel about the product are reflected in the basic design of the study.

2) **Nature of questioning:** Most

BRAND REPORT

No. 140: Insurance

PREMIUM POSITIONING

by Paula Schnorbus

The insurance industry, left reeling by the stunning interest rates of the 1970's, has been immersed in changes like never before.

Property/casualty insurers ironically became a casualty themselves starting a decade ago. When interest rates were skyrocketing, companies began competing for buyers by soliciting premiums at dirt-cheap prices. The idea was for the insurers to quickly invest the money and take advantage of the attractive rates, but the rug was pulled out from the under the insurers when interest rates fell. Premiums were jacked up to new heights as a result.

According to Paul Wish, vice president, communications, at A.M. Best,

INSURANCE COMPANIES MEDIA EXPENDITURES 1985 (000)

	Media Total	Magazines	Sunday Magazines	Newspapers*	Network Television	Spot Television	Network Radio	Outdoor	Cable TV Networks	Spot Radio**
Aetna	8,405.5	–	–	780.8	7,307.4	60.2	–	–	–	257.1
Allstate	28,406.6	3,540.6	757.2	1,309.4	13,731.6	5,452.4	1,427.3	–	375.7	1,812.2
Cigna	7,904.3	2,309.5	–	1,064.3	1,849.0	1,132.7	–	1,694.9	–	144.2
Liberty Mutual	11,826.1	1,780.8	–	614.7	8,322.1	.3	862.7	11.8	–	28.9
Metropolitan Life	20,333.0	5,507.6	–	1,676.2	6,008.1	6,912.3	–	38.6	18.5	171.7
Nationwide	12,090.3	1,653.4	61.9	349.4	4,336.7	5,299.2	–	30.4	–	359.3
New York Life	1,908.0	227.9	–	1,553.5	48.7	74.9	–	0.6	2.2	–
Prudential	33,980.3	6,620.5	–	1,037.8	22,572.8	1,830.8	–	108.9	1,225.2	584.3
State Farm	19,482.2	1,394.6	–	370.9	8,722.0	1,891.9	5,617.8	217.0	351.5	916.5
Travelers	8,222.2	3,502.9	–	82.8	2,506.3	1,930.2	–	–	52.0	–

*Source: Leading National Advertisers; *Media Records; **Radio Expenditure Reports*

Youre a terrific husband.
A great golfer. And a super salesman.
But a financial genius,
youre not.
Youre a talented architect.
A wonderful partner.
Youre great with clients.
But a financial genius,
youre not.
The kids are out of college.
The house is paid up.
Youve got money to invest.
But lets face it,
a financial genius
youre not.

New York Life depicts "experts" in their fields who need assistance with financial planning.

an independent data rating and publishing organization based in Oldwick, N.J., property/casualty insurance "traditionally has been cyclical on a supply and demand basis, but the last [down] cycle lasted longer than any before and was deeper than any before. It had a major factor of interest rates, which propelled it beyond previous losses."

Meanwhile, the high interest rates of the 1970's caught life insurance companies "flat-footed, so to speak," says Wish. Because the policies had low interest rates, holders began taking loans on them to invest in other financial instruments that had higher rates.

Harry Lew, public relations manager of Life Insurance Marketing & Research Association, based in Hartford, Conn., says, "The traditional whole-life product had tarnished in the 1970's. There was a wide perception that the product was not a good deal with only 3% to 4% yields. Money market funds in the early 1980's were earning over 20%."

Enter life insurance companies as financial service companies. "Agents needed to look for other sources of income, namely other products," explains Lew, who adds that as computer technology became more sophisticated, the array of financial products increased.

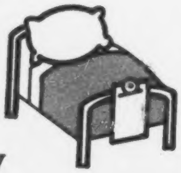
Investment-oriented products were introduced, including variable life, which allows the holders to juggle their investment among different funds that include common stock, bonds, money market and even real estate. Even mutual funds are available — on a limited basis — through insurance brokers.

In the last few years, mergers such as that of Prudential Insurance Co. of America and Bache Group Inc. also increased the number of financial products.

Tax reform in 1987 has given life insurance new appeal as a great tax shelter. Single-premium policies are being pushed to wealthier clients, who for a single premium receive a life insurance benefit while the investment earns tax-deferred interest. Holders may also borrow tax-free on their policies.

On the other side, tax reform has given the property/casualty industry a new headache of $7.5 billion in additional taxes over the next five years, according to the National Association of Independent Insurers.

Burgeoning interest rates in the late 1970's were the catalyst for the insurance industry as we know it today.



But there is hope for the property/casualty industry. For the year ended 1986, preliminary figures compiled by A.M. Best show that the industry pulled itself up by its bootstraps and had a $4.5 billion operating profit as opposed to a $5.6 billion operating loss in 1985. The Insurance Information Institute, a New York-based nonprofit industry group, said increased insurance prices contributed to the industry's improved performance. The preliminary report by A.M. Best also notes that total industry written premiums increased 22.6% in 1986 to $176.4 billion.

Life insurance industry figures for 1986 weren't available, but in 1985, total net premium volume of U.S. and Canadian legal reserve life/health insurance companies rose 16.7% to $173.2 billion, says A.M. Best.

John P. McCann, vice president, advertising and special projects, at the Insurance Information Institute, says the last three years have brought myriad changes to the property/casualty industry. First, a combination of automation, the very nature of the insurance product and competition have forced a reduction in administrative costs. "In order to stay afloat, they have to reduce costs," he warns.

Marketing approaches also are changing, says McCann, who sees more marketing to special groups such as senior citizens associations in an effort to reduce commission costs. Insurance products themselves are changing. Auto and homeowner policies may be combined rather than sold separately. McCann notes that there is a movement to keep the cost of defending a lawsuit within the limit of coverage. All costs would be contained within one policy, which McCann calls "defense cost containment."

In life insurance marketing, Lew predicts a movement "back to basics. The industry has gone through a real revolutionary time in product offering. It probably will be much calmer with fewer new types of products," says Lew. "They flirted with the esoteric products . . . but I think they're seeing that basic life insurance products are pretty profitable."

According to Leading National Advertisers, the entire insurance industry spent $267.2 million on advertising for the first nine months of 1986 (see chart on pg. 85 for 1985 media breakouts on an annual basis). Given the wide range of targets most insurers are out to reach, television dominates as the most mass way to get the message across. Often, that message pushes the company's image rather than specific insurance products. In the past, the bulk of insurance ads ran in the trade press "to agents who could understand them," one source said. Co-op advertising is popular on a local basis with companies matching agents' dollars.

Radio Expenditure Reports Inc. says the industry spent $20.2 million in radio advertising for the first nine months. Media Records doesn't supply quarterly figures for newspaper ad expenditures.

Following is a breakdown of the five largest life insurers and the five largest property/casualty insurers based on 1985 premium volume as compiled by A.M. Best.

LIFE INSURANCE

The Rock of Gibraltar, **Prudential**'s advertising gimmick since 1890, is used as a "symbol of stability," says Scott Mason, vice president, advertising.

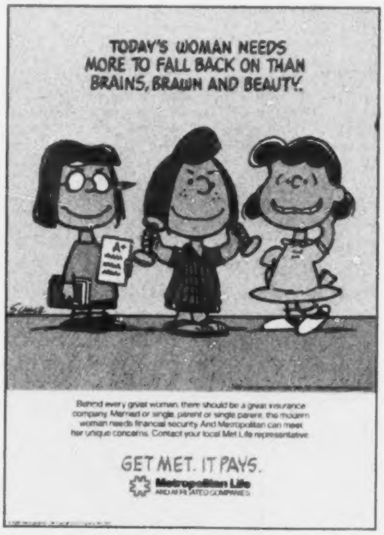
That isn't a bad way to describe the 112-year-old company, which from 1975 to 1985 has been the top life insurer in total premium income, according to A.M. Best's latest available figures. While Prudential's $14.3 billion in premiums decreased 5% from 1984, it still has twice as much in premiums compared with number two, Metropolitan Life.

I WANT IT ALL
Choose a life insurance plan as unique as your personality.
The Prudential

"The Pru" pitches its policy planning.

Ted Bates Advertising/New York has been Prudential's agency for more than 15 years. In Prudential's corporate campaign, the objective is to show that the company offers not only life insurance but other products and financial services.

In the life insurance campaign, for example, a Prudential representative, synonymous with the Rock of Gibraltar, can help customers sort through the intricacies of policy planning, explains Mason.


TODAY'S WOMAN NEEDS MORE TO FALL BACK ON THAN BRAINS, BRAWN AND BEAUTY.
A+

Behind every great woman there should be a great insurance company. Married or single, parent or single parent, the modern woman needs financial security. And Metropolitan can meet her unique concerns. Contact your local Met Life representative.

GET MET. IT PAYS.

Metropolitan Life
AND AFFILIATED COMPANIES

Peanuts peddles Met Life.

Allegories include the family lost in the jungle, which is used to signify that "life insurance can be confusing; the natives don't speak your language," says Mason. A "scout," meant to be the Prudential rep, swoops down to save them. Another example is the "Perils of Pauline" takeoff with the old routine of the tethered damsel in distress on the railroad tracks. The good guy, or Prudential rep, saves her.

Prudential will be peddling universal life products, variable products and a variable appreciable life product that allows the buyer to invest in a combination of funds that include a real estate fund, the only contract of its kind, says Mason. The popular single-premium product will also be pushed in 1987.

Prudential targets a "middle-market audience," Mason says, using television advertising 70% to 80% of the time. Prime time shows used include *Newhart, The Equalizer, L.A. Law, MacGyver, Moonlighting, Mike Hammer, Cheers* and *Easy Street*. The rest of Prudential's advertising is in magazines such as *Discover, Esquire, Life, Money, Newsweek, Parents, People, Sports Illustrated, Sylvia Porter's Personal Finance* and *Time*.

Although Mason wouldn't reveal the 1987 advertising budget, LNA reports the company spent $24.6 million in 1985 on life insurance advertising alone. Mason declined to comment on the figure's accuracy.

Metropolitan Life's middle-income bracket, like most insurance companies, provides most of its new premium sales. But this year, the focus will be on the "mature market," women, Hispanics and Asian Americans.

The advertising budget wasn't available for 1987, but a spokeswoman said the total ad budget for 1986 was $30 million. The Peanuts cartoon characters, Met Life's ad gimmick hatched by Young & Rubicam Inc., are entering their third year as "spokespeople."

At press time, plans were still being formulated for a "mature market" ad campaign. Charles Lavezzoli, executive vice president, personal insurance, says "mature" means those in their early- to mid-50's who are beginning to plan their finances for retirement. Lavezzoli also says the company will be repricing its portfolio this year to appeal to the mature market.

Met Life is also increasing the competitiveness of products for women. In 1983, the company started a program for women's personal financial needs. Lavezzoli says the company is zeroing in on women because of the increasingly large segment of the female population as heads of households.

In 1987, ads targeted at women will appear in magazines only, such as professional magazines in fields that employ many women. They include *Nursing '87, Nursing Life, Learning '87, American Educator, Financial World, Women in Business, The Woman CPA, Real Estate* and *Realtor News*.

The Hispanic and Asian American marketing plans are continuations of established programs. Met Life advertises in Spanish print and on radio and tv programs. Advertisements also appear in Chinese and Korean newspapers in major cities in the U.S. (see "Trailblazing in Asian America," *M&MD*, October 1986, pg. 74.)

Life insurance products that will hold major roles in new premium revenues at Met Life will be universal life, variable universal, single-premium whole life and traditional whole life.

The customers of Century 21 Real Estate Corp., acquired in 1985 by Metropolitan, will be the target of a national direct-mail campaign by which Met Life will introduce its products and services.

Travelers will be introducing its In-Vest product this year. This variable universal life program is geared for "people with money or disposable income," says Edward Kavo, assistant director, financial services department/marketing.

Kavo, whose expertise is in life product development, says In-Vest is targeted at "anyone who wants to have life insurance protection with mutual fund growth potential." The cash will be invested in any of four different funds, including an aggressive stock fund, high yield bond funds, a managed assets trust or a money market account. Kavo notes that another target audience may be in their 20's and 30's and looking for a long-term investment that may outperform a savings account.

While In-Vest is for the consumer who likes the play of a mutual fund, ExceLife is the traditional universal life product that is a fixed-interest account. Kavo said ExceLife has more "upscale appeal" because it is sold in amounts of $100,000 and above. Meanwhile, Travelers is increasing the customer benefits and lowering the costs of insurance for products sold in amounts of $25,000 to $100,000.

Travelers, like other life insurers, is courting the upscale crowd with new products.

The 1987 ad campaign for life insurance products and financial services is entirely in magazines, mostly insurance trade publications.

William Esty Co. has handled the company's advertising since spring 1985. In the corporate campaign, which was still being finalized at press time, television advertising was slated to be the principal medium for 75% of the effort. Scott Jennings, corporate advertising supervisor, confides that the old "Have you looked under the umbrella lately?" slogan is expected to change to "You're better off under the umbrella." He explains that the "question" has been answered.

Corporate Travelers goes after the "upscale," or those who have attended college and make $35,000 a year; small business owners and presidents; chief executive officers of large companies and financial personnel. To reach those people, the insurer advertises heavily during the Masters golf tournament and other sporting events. The other 25% of ads appear in *Forbes, Wall Street Journal, Changing Times, Inc., Money*

"...and I'd like the stocks to have a P/E under 9, low debt not more than a quarter of capitalization, a return on equity of 15% and cash receivables at least equal to current liabilities..."

Our readers' assets and investments
average $160,000.

50plus
850 THIRD AVE. • NEW YORK, NY 10022 • (212) 715-2781

and *Venture*. Consumer books include *Time, Life* and *Working Woman*.

This year's budget has "substantially increased" from last year's approximate $12 million allocation, according to Jennings. Travelers had close rankings in A.M. Best's 1985 insurance rankings, coming in third in life insurance with more than $4 billion in premiums and sixth in property/casualty.

Cigna's **Connecticut General** was fourth in line for underwriting life insurance in 1985 with $3.9 billion in premiums, according to A.M. Best. New York Life comes in immediately following with $100 million less.

Connecticut General, which is Cigna's flagship of life, health and annuity sales, isn't advertised as an individual company. Says Charles H. Podowski, Cigna's vice president, marketing communications, "We are trying to develop an image for Cigna, primarily among business executives. We're interested in executives who make decisions about buying financial services products, namely senior executives," says Podowski, who notes that Cigna has clients that run the gamut from small to large companies.

Podowski wouldn't reveal Cigna's ad budget except to say that LNA figures are "low." He did say that "strategy and execution will be the same." For the first nine months of 1986, LNA puts Cigna's overall advertising expenditures at almost $6 million.

The past breakdown of Cigna's advertising media has been 60% print, 30% tv and about 10% radio.

Cigna uses the *Wall Street Journal, Fortune, Forbes, Business Week* and *Business Insurance* in its magazine mix.

In television, Cigna advertises during sporting events, "which are heavily viewed by business executives," says Podowski. Thirty-second spots generally appear on golf and tennis tournaments, and the NBA finals as well as college football. Cigna also uses 60-second spots for radio commercials.

New York Life also is repositioning itself to broaden the image that "it is not just an insurance company anymore," says George Trapp, vice president.

The broad campaign for those in the age range of 25 to 64 is more upscale, appealing to breadwinners of more than $35,000 a year. New York Life's products include single-premium life insurance products, mutual funds and universal life policies.

The company kicked off its current campaign in September 1986 with an $18 million corporate advertising budget in the hands of Saatchi & Saatchi Compton Inc. New York Life first affiliated with then-independent Compton in the 1940's.

About 75% of New York Life's advertising is in tv with ads that show "experts" in their fields that need help with financial planning. That's where New York Life enters the picture.

For the kickoff of the tv campaign during the fourth quarter of last year, the company used a Sunday night roadblock on *60 Minutes, Our House* and *The Disney Sunday Movie*. It also advertised "heavily" during the World Series and finished out the fall with professional and college football. Sixty-second spots were used.

New York Life will use a mix of 30-

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Business Executives . . . Professionals . . . Community Leaders

Now You Can Meet Them Head On Through The

KIWANIS MAGAZINE SPEAKERS BUREAU

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1) That there be no solicitation of members as part of any presentation
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Take Advantage Of A Unique Opportunity
Pass your or your organization's message on to our members — Personally

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The Media School

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DAY 1 This BASIC full day is crammed with solid usable media information such as 12 media concepts, 8 media research resources, planning and buying 4 major media and 8 steps to create a media plan.

DAY 2 The ADVANCED media day highlights strategic planning issues involved with; defining target audiences, setting effective reach and frequency, geographic allocation systems, media mix and organizing a media plan.

DAY 3 Knowing how to create a media plan is one skill, presenting media plans, recommendations and con ceptual ideas is essential to career growth. This full day is spent honing media communication skills.

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APRIL
*7, 8, 9 St. Louis • Marriott's Pavilion Hotel
7, 8 Detroit • Dearborn Inn
21, 22 Dallas • The Registry Hotel
22, 23 Orlando • Marriott Hotel
*28, 29, 30 Minneapolis • Omni Northstar
MAY
6, 7 New York • Marriott Marquis
13, 14 Cleveland • Marriott East

*Media Presentation Skills offered in this city

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and 45-second commercials that are "cut-down" versions of the 60-second spots. "We looked at 45-seconds and found they worked pretty well. In mid-year, they may all be :30's," says Trapp.

Magazines used are *Time, Newsweek, Sports Illustrated, Fortune, Working Woman, Ms., Inc.* and *Business Week*.

Newspapers aren't used nationally because "it gets pretty expensive, and there's a lot of waste circulation," Trapp says. "Magazines deliver a more upscale market. We still may use newspapers if we can't buy in a magazine in that market, or at an agent's suggestion."

Co-op advertising is used in conjunction with insurance agents on a local basis. The program is based on the agent's level of production. About $2.2 million of company funds is used for co-op advertising and matched equally by the agents.

PROPERTY/CASUALTY

State Farm likes to project image in its advertising with its slogan, "Like a good neighbor, State Farm is there."

The property/casualty leader, with a 17% market share in auto insurance and an 18% share in homeowners insurance, headed A.M. Best's list in 1985 with net premiums of $14.1 billion, almost double that of second-ranked Allstate's $7.6 billion.

State Farm features its agents and policyholders in ads produced by its advertising agency, DDB Needham, Chicago. Needham, which merged with DDB last year, has been State Farm's agency since 1939.

Daniel McNertney, vice president, advertising, explains, "We feel that there is an added benefit in having [an ad] be absolutely literal, that there is greater credibility."

Insurance products aren't part of the ad campaign. Agents themselves have been advertised for about 15 years, McNertney says, noting the "key marketing is of the distribution system."

State Farm's $20 million property/casualty advertising budget goes after "mid-America." McNertney notes that "70% of the country is broad mid-America. We take care of basic insurance needs . . . If you're wealthy enough to own a car or an apartment, you're a prospect." (State Farm spends $5 million on its life products ads.) The overall advertising budget is up 10% from last year.

Like a good neighbor, State Farm is there.

State Farm ads feature athletes.

About 70% of State Farm's advertising is in 30-second television spots with a heavy emphasis on sports and sports-related programs. "Our principal marketing target is men 25 to 54 years old," says McNertney. "That doesn't mean we aren't interested in older people or women." He qualified State Farm's target by saying that the insurer hits a 50-50 men-to-women ratio by using spots on *Cosby, Murder, She Wrote, Kate & Allie* and *Highway to Heaven*.

Radio accounts for 20% of the company's ads. The 30-second spots also

Don't look for property/casualty advertising at Nationwide this year. There won't be any. Money is going into life product ads only.

tend to be during sports-related programing and run during the peak hours of 6-to-8 a.m. and 4-to-6 p.m.

The remaining 10% of advertising appears only in *Sports Illustrated*. In those ads, a sports figure, who is actually a policyholder, is shown talking with a State Farm agent.

Newspapers aren't used, says McNertney, because television, radio and the magazine advertising make the "agents come to life. Newspapers require a different creative approach," he explains.

Allstate still has good hands.

The number-two property/casualty insurer, which claims a 10% market share, has been using "You're in good hands with Allstate" for almost 37 years. The company's advertising theme, "Leave it to the good hands people," is handled by Leo Burnett and Co., which celebrates its 30th year as Allstate's advertising agency next month.

Last year's advertising budget was $30 million, about 90% of which was spent on property/casualty advertising, according to John Flieder, assistant vice president, advertising. The budget for 1987 wasn't revealed by Flieder.

Allstate targets the "type of person who would shop at Sears," or those who make more than $20,000 a year, says Flieder. That makes sense — Sears, Roebuck is Allstate's parent.

Television advertising is used 80% to 85% of the time in 15- and 30-second spots in network and local markets. Mostly 15-second spots are used in network advertising. Like State Farm, Allstate advertises heavily during sports programing. Local usage varies from quarter to quarter, says Flieder, depending on market profitability.

Radio advertising is devoted solely to the Paul Harvey show on ABC network radio. National newspapers such as *USA Today* and the *Wall Street Journal* are occasionally used for special promotions. Local newspapers are more often, depending on market strength. Magazines won't be used for property/casualty at least for first quarter, says Flieder, because "it's hard to have music" in magazine advertising. Direct mail marketing is being tested for auto insurance, Flieder says.

Aetna, ranked third in property/casualty insurers with $5.7 billion in 1985 premiums, doesn't separate property/casualty from life insurance advertising in its "best in the business" advertising campaign.

Robert A. Marchese, Aetna's advertising director, explains, "The intent is to present a certain image of the company as the "best in the business," an advertising concept that started in February 1986 via Jordan, Manning, Case, Taylor & McGrath.

The "Aetna, I'm glad I met ya" slogan used since 1982 hasn't been completely abandoned, says Marchese. It appears in about three of Aetna's four tv commercials that will be used this year. Marchese predicted that there will be new commercials at the end of the year, but he wasn't sure if the slogan will be used.

The company, which has a $25 million corporate advertising budget this year, compared with last year's $20 million budget, uses network television 90% of the time. To attract the hard-to-get tv viewer last year, Aetna co-sponsored special events like the Mets/Red Sox World Series and *Peter the Great*, a mini-series.

Marchese feels that by taking a major sponsorship role, Aetna has a "very impactful presence in the programs we're on." He calls the 60-second commercials "very emotional advertising. We just show various aspects of the company and its people, its quality, showing a caring company with integrity and concern for its customers." Aetna's target audience is broad: "anyone who [is able] may buy" Aetna's products, says Marchese.

Print advertising is used 10% of the time. The plan wasn't finalized for 1987 at interview time, but Marchese says it probably will be "a little broader" than 1986. Publications used last year included the *Wall Street Journal*, *Business Week* and *Forbes*.

Marchese says that Aetna is better known in the Northeast. "There are some areas where we would like to be better known, such as the West Coast and Southwest," he says. The company is currently looking at marketing support programs for those areas, but advertising plans haven't been made.

You won't see "**Nationwide** is on

THE GLOBE'S NOT HERE.

One issue of our Providence Sunday Journal and Providence Journal Bulletin reaches more than 82% of all the adults in our market. The Boston Globe and the Herald deliver less than 8.5% each. So, if you want to talk to the people in Rhode Island and southeastern New England, you want to talk to us. Call Bill Peckham, Manager General Advertising at (401) 277-7172 for our continuing market study. And he'll give you the rest of our story.

Providence Journal-Bulletin

Represented Nationally By Cresmer, Woodward, O'Mara & Ormsbee.
Source: Providence Area Continuing Market Study – 1985.
Daily and Sunday combined net reach.

your side," the 20-year-old standby line, on any of the insurer's property/casualty insurance advertising.

Why? Because there won't be any property/casualty advertising for the first time in Nationwide's history. Says Larry M. Robinson, vice president, marketing information and education, "We grew too fast, and now we're trying to digest that growth." Commercial insurance annual premiums leaped to $1.46 billion in November 1986 from $364 million in 1984.

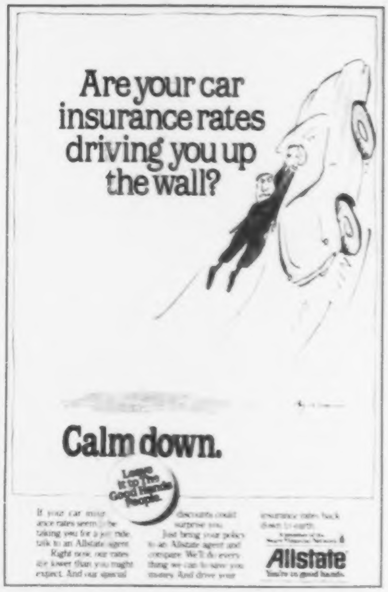
Lou Fabro, media relations director, explains that a few years ago, insurers were moving away from commercial insurance, leaving the field open for Nationwide. The insurer was targeting "Main Street," or medium-size businesses with mostly $250,000 in annual premium charges.

Annual personal auto insurance premiums also burgeoned to $2.14 billion for the first 11 months of 1986, from $1.55 billion in 1984. Nationwide's average policyholder is a "little more rural and downscale," says Robinson, with $22,900 as average annual income. Nationwide's strongest contingent is east of the Mississippi and in the Midwest.

"We sold so much auto and commercial insurance in the last three years, we need to focus on a return to profitability," notes Robinson, who explains that rapid growth of new policyholders of auto insurance historically brings higher loss ratios. A.M. Best put Nationwide's property/casualty premiums at $4.4 billion in 1985.

Nationwide, through Ogilvy & Mather, its ad agency of some 20 years, will go after its current property/casualty policyholders and attempt to peddle life insurance policies in 1987. The advertising budget — strictly devoted to life insurance products — will be $7 million, slightly higher than last year, according to Charles D. Metz, vice president, advertising and promotion. Last year, property/casualty and life advertising dollars were split 50-50.

In 1987, national advertising will account for 70% of the budget with the rest in local advertising. Nationally, 85% of the advertising may be found in network television on specials and football programs and selected family-oriented shows. National print ads may be found in such magazines as *Saturday Evening Post*, *Sports Illustrated* and *Time*.


Are your car insurance rates driving you up the wall?
Calm down.
Leave it to The Good Hands People.
Allstate
You're in good hands.

Allstate targets people who shop at Sears, its parent company.

Local advertising is done on a co-op basis with ads appearing on radio, tv and in newspapers. This year's emphasis will be on regional news, weather and especially sports programs. Nationwide also sponsors college and high school sporting events on a local basis.

Liberty Mutual, the top provider of workers' compensation with a 10% corner of the market, pitches "image," emphasizing quality service to its prospective clients.

The top provider of the nation's workers' compensation is 75-year-old Liberty Mutual, which pitches quality service.

The insurer ranks fifth in A.M. Best's 1985 property/casualty list with $4.2 billion in premiums.

Liberty Mutual, with its more than $10 million overall budget (up moderately from last year) and Wells, Rich, Greene Inc., its advertising agency, zero in on the risk managers of large national companies and chief financial officers of bigger regional companies, including hospitals and construction companies, according to Whit Lancaster, director of advertising and public relations at Liberty Mutual.

Mark H. Lieberman, president and chief executive officer of Londontown Corp., maker of London Fog raincoats, has been praising Liberty Mutual in a 30-second commercial shown during college football games and network news shows. Lancaster wasn't sure if the spot will be used this year. Other buyers of Liberty Mutual's workers compensation plan are Digital Equipment Corp., *USA Today*, General Cinema Corp., H.J. Heinz Co. and Campbell Soup Co.

Workers' compensation insurance ads also have appeared in the *Wall Street Journal* and *Forbes*, and trade magazines such as *Risk Management* and *Business Insurance*. The plan for magazine ads this year wasn't known at press time.

A 60-second commercial featuring the "Legends of Golf" will air on NBC in April. Liberty Mutual is kicking off its 75th year, and the annual golf tournament is celebrating its 10th anniversary.

On a personal insurance level, Liberty Mutual is a mass marketer for the most part, using no income specifications as a guideline for insurance sales, claims Lancaster.

The company will continue last year's mass merchandising campaign of "Liberty for All." Employers may offer employees 5% discounts on auto, home and life insurance. Lancaster explains that all payments are taken out of subscribing employees' checks, which takes away the hassles of personal check writing or paper work.

Liberty Mutual also utilizes local daily and weekly newspapers and has used up to 600 nationwide, depending on the number of agents in specific areas. ■

POINT/COUNTERPOINT/

DRUG TESTING IN THE WORKPLACE

PUBLIC PRIVACY

From the very beginning, Americans have highly valued the right to privacy and deeply resented unjustified intrusions. Our nation's founders wrote, and the people ratified, the Fourth Amendment to the Constitution. It struck a reasonable balance between privacy and law enforcement. The police would be able to search people, but only if there was good reason to believe that a particular individual was involved in a crime or possessed evidence of a crime. You can't search everyone, innocent and guilty alike, to find a few who are guilty. This basic American principle has been abandoned by those who advocate urine tests for everyone.

Some have argued that the innocent have nothing to fear from urine searches. That is not true. The most commonly used and vigorously promoted test — the EMIT test — is far from sufficiently reliable.

The rights of innocent employees compelled to submit to urine screening tests are violated in numerous ways.

First, urine screens are more of a surveillance device for off-the-job activity than a test for job performance. Urine screens do not directly detect the presence of the actual drug they are looking for. What they do detect in the urine sample are the metabolites of some substance — a cold medicine *or* an illegal substance — that had been used some time in the recent past.

Second, once provided, urine samples may be used to reveal other details of one's private life. Urinalysis can disclose whether an employee or job applicant is being treated for a heart condition, depression, epilepsy, diabetes or asthma. People have been fired, or not hired, when the employer finds out about such conditions.

Third, unlimited discretion to compel urine screens can be used as a pretext for political firings. This has already happened in a number of cases, including one in Georgia where a safety inspector in a nuclear power plant complained to the Nuclear Regulatory Commission about alleged inattention to her safety reports and was subsequently "reported," anonymously, on a company drug hot-line provided for that purpose.

If we want to live in the kind of free society our founders intended, we cannot permit powerful institutions — our employers — to intrude into our private lives without adequate, specific reasons or justifications. The founders of this nation, who wrote the Constitution and the Bill of Rights, could not have anticipated polygraphs, wiretaps or urine screens. But they knew what a police state felt like and they tried to establish principles to protect future generations against it.

Ira Glasser is executive director of the American Civil Liberties Union.

OUR READERS TELL US...

Research USA, Chicago, asked a sampling of readers about substance abuse at their companies. Here are the advertiser and agency responses.

1. Does your company offer counseling to employees who have substance abuse problems (alcohol or drug problems)?

	Advertisers	Agencies	Total
Yes	66.7%	43.3%	52.7%
No	31.1	56.7	46.4
No answer	2.2	—	.9
	100.0%	100.0%	100.0%
Base	(45)	(67)	(112)

If "Yes," is the counseling conducted in-house or by an outside service?

	Advertisers	Agencies	Total
In-house	13.3%	3.4%	8.5%
Outside service	53.4	86.3	69.5
Both	30.0	6.9	18.6
No answer	3.3	3.4	3.4
	100.0%	100.0%	100.0%
Base	(30)	(29)	(59)

2. Do you have drug testing in your company?

	Advertisers	Agencies	Total
Yes	4.4%	—	1.8%
No	93.4	100.0%	97.3
No answer	2.2	—	.9
	100.0%	100.0%	100.0%
Base	(45)	(67)	(112)

3. When do you support drug testing? (Check all that apply)

	Advertisers	Agencies	Total
When an employee is suspected of being under the influence	44.4%	31.3%	36.6%
At random, anyone may be subjected to a test	4.4	4.5	4.5
When tests are given to all employees	29.9	13.4	19.6
Never	35.6	47.8	42.9
No answer	4.4	6.0	5.4
Base	(45)	(67)	(112)

4. Is substance abuse

Yes
No
Don't know/no answer
Base

5. Which group is most

Senior level
Mid-management
Staff
Clerical
None/no answer
Base

6. To what degree has quality of work at

To a great degree
To a moderate degree
To a small degree

POLL

PRIVATE PRIORITIES

It's no secret that an alarming percentage of employees use illegal drugs, mostly marijuana and cocaine, on and off the job. Performance problems stemming from such use include accidents, inefficiencies, and absenteeism, as well as theft and fraud caused by the financial pressures associated with drug use.

Employers have a right to address such business problems. The following is based on the belief that valid business reasons frequently exist for implementing corporate drug prevention programs.

There are many controversial issues associated with such programs. First is the question of the legality of drug testing, which in the private sector is more an imaginary issue than a real one. True, testing in the public sector is constrained by constitutional protections against governmental invasions of our privacy. But the private sector is free to establish employment criteria as long as those criteria do not violate any specific law. Corporate America is entitled to refuse to employ individuals who use illegal drugs.

Drug testing alone will not solve a company's drug problem. However, in conjunction with a comprehensive drug prevention program, testing provides the teeth to make a program work.

The media often reports that test results can be inaccurate. A quality testing program is certainly possible, though, if some simple guidelines are followed: the careful selection of a reputable lab, employee indications of prescription drug use prior to testing, careful laboratory attention to the chain of custody of drug samples and, most important, the use of an automatic reconfirmation test if the preliminary test proves positive. The 95% test accuracy often cited is clearly not good enough for critical employment decisions, but this level of accuracy pertains only to preliminary tests and not to the more sophisticated mass spectrometry/gas chromatography screening frequently used for reconfirmations.

People often question the attention given to drug use when alcohol overuse flourishes and companies apparently do little about it. My experience is that alcohol problems are much more visible and that companies do take action to confront them whenever they impact on job performance. Second, and perhaps more important, the financial pressures associated with alcohol use are much less than those relating to drug use.

The underlying and very legitimate concern with drug prevention programs is the possible lack of empathy with employee sensitivities. While this is the most difficult issue to address in designing a good program, it is not an impossible one to handle. For example, early and repeated notices should go out to all employees, all new hires should acknowledge the firm's drug policy as part of the enrollment process, face-to-face discussions should be held with all employee groups prior to testing and professional assistance should be available to employees who want to address their drug problem confidentially on their own.

Programs obviously need to be implemented very carefully. The effort is not a 100-yard dash, but more like a marathon — requiring substantial preparation, considerable determination and patience, but always with an eye toward the difficult end objective — a drug-free workplace.

Kidder, Peabody & Co. has one of the most comprehensive drug prevention programs in its industry. E. A. Weihenmayer, vice president and director of human resources, is its coordinator.

a problem at your workplace?

Advertisers	Agencies	Total
11.1%	19.4%	16.1%
84.5	80.6	82.1
4.4	—	1.8
100.0%	100.0%	100.0%
(45)	(67)	(112)

prone to substance abuse?

Advertisers	Agencies	Total
4.4%	11.9%	8.9%
20.0	28.4	25.0
17.8	35.8	28.6
8.9	9.0	8.9
53.3	37.3	43.8
(45)	(67)	(112)

substance abuse affected the output or your company?

Advertisers	Agencies	Total
—	—	—
4.4%	7.5%	6.3%
40.0	31.3	34.8

Not at all	42.3	50.8	47.3
Don't know/no answer	13.3	10.4	11.6
	100.0%	100.0%	100.0%
Base	(45)	(67)	(112)

7. Do you feel substance abuse at your company is on the increase or decrease?

	Advertisers	Agencies	Total
On the increase	6.7%	6.0%	6.3%
On the decrease	6.7	13.4	10.7
It remains stable	46.6	40.3	42.8
It does not occur	20.0	29.9	25.9
Don't know/no answer	20.0	10.4	14.3
	100.0%	100.0%	100.0%
Base	(45)	(67)	(112)

8. Do you work for an agency or advertiser?

	Advertiser	Agency	Total
Advertiser	100.0%	—	40.2%
Agency	—	100.0%	59.8
	100.0%	100.0%	100.0%
Base	(45)	(67)	(112)

SALES PROMOTION

by Russ Bowman

THE NEED FOR NEW TALENT

In a period of insecurity resulting from business mergers and acquisitions at companies and agencies, it's nice to know there is one field where good talent is needed. According to Steve Gundersen, president of a New York executive search firm, "The demand for promotion talent is so great, we are today experiencing a shortage of people."

SALES PROMOTION SALARY SURVEY

	AGENCY		CORPORATE	
	Average	Range	Average	Range
Account Executive/ Asst. Promotion Mgr.	$35,600	$23-55,000	$33,000	$24-44,000
Account Supervisor/ Promotion Manager	$52,800	$25-76,000	$45,500	$26-68,000
Management Supvr./ General Mgr./Director	$81,700	$50-120,000	$72,000	$45-100,000
Partner/ Vice President	$115,250	$77-180,000	$103,100	$55-150,000

Source: Gundersen Partners, Inc.

Senior management at promotional agencies and corporate personnel managers recognize the dirth of career-oriented promotion people starts way back at the college and "grad school" level. Check out the '86/'87 college & university course catalogs, and you'll find everything from "Antique Buying" to "Yoga," including a fair dose of courses on writing and advertising, but very little (if anything) on sales promotion or merchandising. Yet shortly after leaving Harvard, Wharton or most of America's first-class business schools, the average marketing assistant finds promotion in one form or another represents well over half of his or her marketing budget.

A rare subject on campus: Don Schultz, professor and chairman of the advertising department at Northwestern's Medill School of Business, estimates that only 20-25 colleges or universities have any kind of sales promotion or merchandising courses, compared to approximately 1,000 colleges/universities with at least one advertising course. Schultz, who teaches a sales promotion course based on case studies for the graduate school, states, "There has been a dramatic change in the recognition of promotion among college students over the past few years."

Continuing education: The lack of promotion background obtained in college has led to several different approaches to filling the education gap after graduation *while on the job*. Many of the larger firms and some of the promotion agencies conduct in-house seminars on promotion especially for the new MBA's that enter every June. Additionally, seminars on promotion are available from the Association of National Advertisers, William A. Robinson, Westfield Marketing, Universal Promotions and the Promotion Marketing Association of America. Several promotion agencies have developed promotion seminars for their clients, including Glendinning Associates, Frankel & Co. and Einson Freeman. And Steve Gundersen, a partner in one of the few search firms with a major commitment to the promotion field, is developing a career seminar that will give candidates a brief overview of the field and its career potential. The seminar will serve both students considering promotion as well as younger employees in related fields who may be considering a career change.

Promotion as a career is becoming more attractive: According to Larry Levine, another partner in the Gundersen firm, "The compensation gap between general marketing titles and promotional service titles is closing. At corporate senior levels, there is only a 6% difference in compensation, on average." Gundersen Partners' sales promotion salary survey, illustrated here, is one of the first surveys for this field ever published.

There is little doubt that the promotion business is playing "catch-up," but leaders in the field believe it will succeed. Following is a six-point program that will serve the business well for the years to come:

1. Improvement needs to start at college. More promotional courses need to be available and even a *promotion major* should be considered.
2. Promotion should, at least to some degree, become a prerequisite for a marketing MBA.
3. College/university professors need support from the industry with more facts, data and case histories for teaching.
4. College career counselors need more information on promotion as a career potential. Very little is available compared to other marketing functions.
5. Larger corporations and promotion agencies need to establish clear-cut promotion career paths that start with a good training program.
6. In-house promotion seminars created and developed by experienced professionals should become standard procedure.
7. More search firms should take the promotion profession seriously.

ECONOMIC EYE

MAGAZINE AD SCORECARD	Ad Pages Nov. 1986	% change from Nov. 1985	Dollars spent (000)	% change from Nov. 1985	Ad Pages Dec. 1986	% change from Dec. 1985	Dollars spent (000)	% change from Dec. 1985
1. Skin care, Creams, Lotions and Oils	187.15	+12.13%	$ 6,426.1	+24.33%	146.35	+66.53%	$ 5,490.9	+58.12%
2. Lip and Eye Beauty Products	68.66	−11.80	2,338.2	−3.58	28.33	−47.15	861,041.0	−47.86
3. Scents and Fragrances	288.87	−8.56	7,344.1	−1.79	308.63	−21.33	9,424.5	−8.31
4. Facial Makeup Products	82.23	+35.65	3,161.4	+26.79	59.50	+53.36	1,981.6	+48.62
5. Prepared Dinners and Entrees (including Pizza)	72.83	+20.12	3,768.3	+58.92	24.92	−12.41	1,686.0	+16.44
6. Liquor	561.40	−16.04	21,716.4	−3.91	772.04	−13.43	29,583.1	−10.59
7. Cigarettes	572.21	−28.97	29,702.6	−31.45	553.24	−36.39	28,291.0	−40.77
8. Soaps and Detergents	56.23	+29.15	3,656.5	+47.93	64.43	+43.15	4,321.4	+39.92
9. Passenger Cars, Domestic	543.28	+12.38	27,386.6	+19.05	427.07	−22.70	22,795.8	−19.7
10. Passenger Cars, Imported	528.58	+16.64	23,570.4	+13.65	517.32	+26.75	22,553.3	+29.58

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

Medium	Jan.	% change	Feb.	% change	Mar.	% change	Apr.	% change	May	% change	June	% change	July	% change	Aug.	% change	Sept.	% change	Oct.	% change
Network TV																				
Daytime	210	+1	181	−5	182	−4	200	−0	219	−0	204	−0	209	+2	207	−0	198	+2	174	+3
Nighttime	230	+6†	215	−2	214	+4	231	−8	257	+3	225	+9	243	+7	225	+8	222	+7	215	+4
Spot TV (1984=100)																				
Prime time	128	+20	104	+19	125	+16	123	+16	123	+20	122	+20	128	+26	105	+21	111	+5	–	–
Daytime	124	+24	109	+9	110	+9	107	+5	108	+9	111	+5	114	−5	100	+9	100	−2	–	–
Network radio (1985=100)	122	+22	116	+16	113	+13	112	+12	113	+13	114	+14	104	+4	105	+5	104	+4	115	+15
Spot radio			246	+0					250	−5					250	−2				
Consumer magazines	205	+6	207	+6	207	+6	207	+6	207	+6	207	+6	207	+5	207	+5	208	+6	209	+7
Natl. Sunday mags	226	−7	226	−7	225	−7	225	−7	224	−7	232	−4	232	−4	232*	+5	229	+5	232	−6
Business publications	190†	+7	190†	+7	190†	+7	190	+7	190	+7	190	+7	190	+7	190	+7	191	+6	192	+6
Daily newspapers (1980=100)	155†	+7	155†	+8	155	+8	156	+8	156	+8	156	+8	158	+8	159	+8	160	+8	161	+8
Outdoor	227	+5	227	+5	231	+7	231	+7	231	+7	231	+7	231	+7	231	+7	236	+11	225	+6

Notes: Percentage shown is relative change from the same month/period the year before. **Family Weekly* changed to *USA Weekend*.
†Revised from earlier presentation—Business publications from 189 to 190; newspapers from 158 to 155. 1977=100 except where noted.

Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entities.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

MARKETING & MEDIA
DECISIONS

C2950-3
3/12/87

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THE TOP MARKETING SUCCESSES OF 1986

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MARKETING & MEDIA DECISIONS

COVER STORY

HATS OFF! 25

A drum roll, please, for the Top Marketing Successes of 1986.

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Polaroid didn't need a magic wand to wave over the launch of its pricey new instant camera, the Spectra. An impressive bag of marketing tricks worked just as well.

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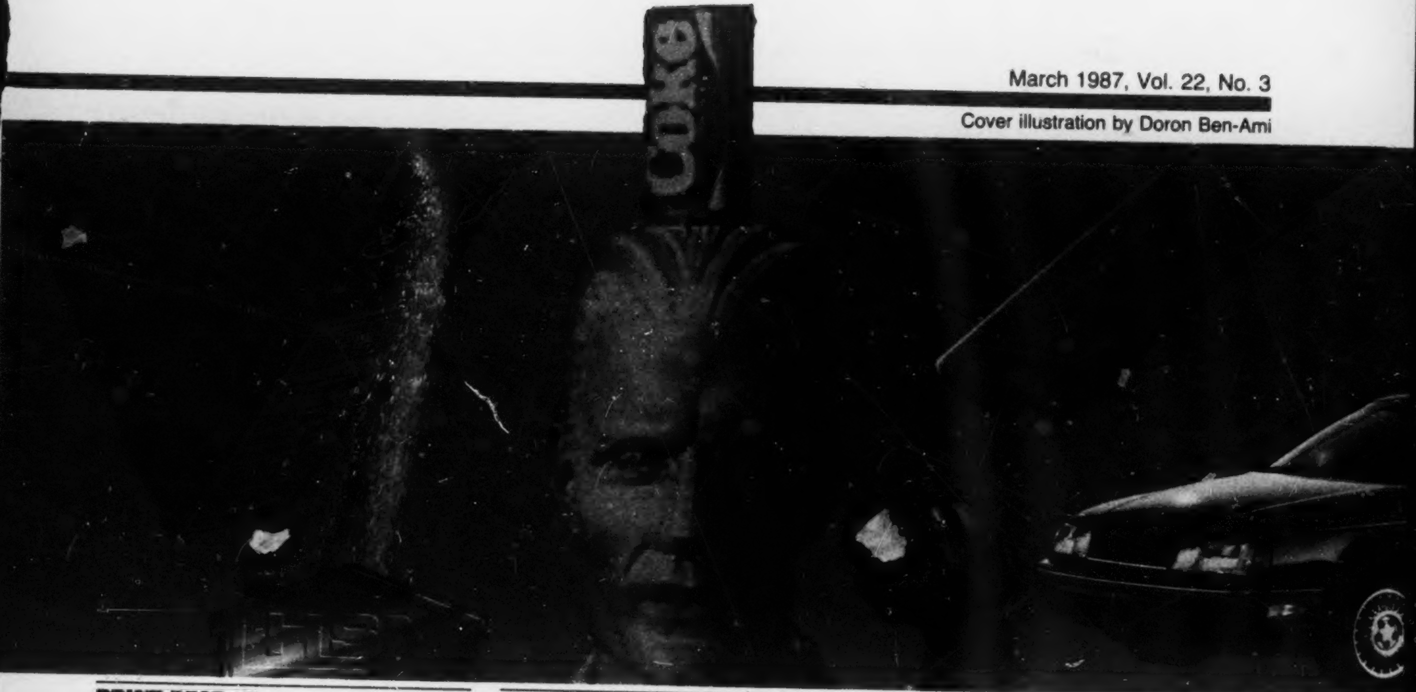

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Cover illustration by Doron Ben-Ami

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CAMERAS:
POLAROID SPECTRA

INSTANT GRATIFICATION

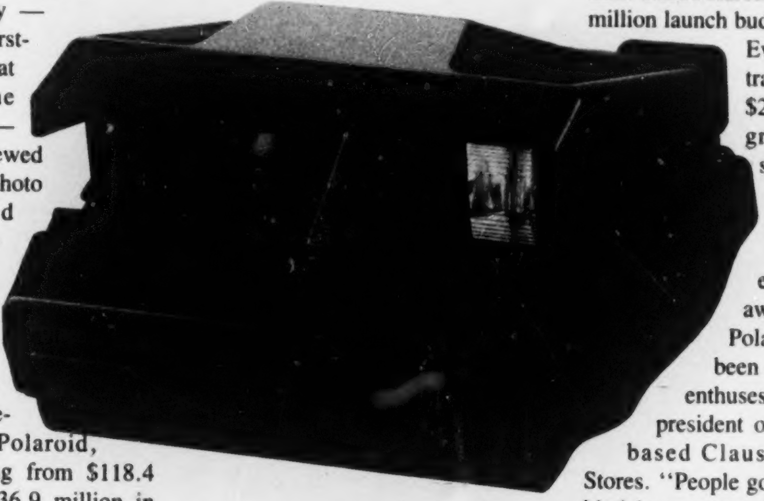
Spectra's fans get it by the pictureful; Polaroid gets it from the vivid success of its careful product intro.

by Carol Hall

"Say cheese." CLICK. WHIRRRRRRRR. Watch, wait, wait, watch and voila, an instant picture!

It may be well-worn magic, but Polaroid Corp., the founder and now sole participant in the instant photography market, has shown with its Spectra that there's still some pizazz left in the old hocus pocus yet. In 1986, the company — abracadabra — saw first-growth in a market that had been in decline since 1978. It beheld — allacazam — a renewed enthusiasm among photo dealers for Polaroid products. And even — drumroll please — the morale of its employees is on the upswing.

Spectra, long acknowledged as a make-or-break entry for Polaroid, whose earnings swung from $118.4 million in 1978 to $36.9 million in 1985, has exceeded expectations and developed into a bona fide hot item. Spectra sales for 1986 are put at around 800,000 units by most analysts. Harold Martin, publisher of the *Wolfman Report*, an industry journal, says that number could reach 1.25 million cameras. The camera's done so well that Polaroid earnings nearly tripled in 1986 to $103.5 million.



Spectra has not only helped Polaroid, it has rekindled consumer interest in taking instant snaps. Spectra is credited with giving the instant market its first sales uptick since it began its slide from 9 million units sold in 1978 to 3 million in 1985.

People had pretty much tired of instant cameras, which have always been dominated by Polaroid, for lots of reasons. Mainly, though, it was the high film costs and coarser picture quality that turned buyers off. Indeed, though many non-instants cost more, most photobugs went for one of scores of new, easy-to-use, 35mm or single-lens reflex (SLR) cameras flooding the market.

Enter the Spectra. The company bit the bullet and designed a high-quality, instant camera that made bigger, better pictures with more easily reprintable film. Then Polaroid backed it with a $40 million launch budget. And it worked.

Even though the Spectra is pricey, $150 to $200, it appealed to a group that had been shunning Polaroid products: the better-heeled young adult who can be expected to snap away like mad. "It's a Polaroid camera that's been a pleasure to sell," enthuses Peter Latsey, vice president of Waltham, Mass.-based Claus Gelotte Camera Stores. "People got excited again, behind the counter and in front of it." And company morale? "There's a tremendous sense of vindication," confides one Polaroid executive.

Now it's only fair to mention that there are some raised eyebrows out there when it comes to giving Polaroid all the credit for this success story. Some people say Polaroid got a big shot in the arm when it won a patent-infringement suit against Eastman Ko-

SARAH PUTNAM

Polaroid's Peter Eichorn and Gary Moss attest that, though it may sound easy, Spectra's success wasn't a snap.

dak Co. Kodak not only lost the January 1986 decision, but was booted out of the instant photography business, where it had a 20% share. That left the whole $1 billion market to Polaroid.

But many think that the company's Spectra marketing efforts and resulting sales deserve the full measure of praise. For one thing, most sales gains accrued from the Kodak departure have probably gone to the lower-priced Polaroid lines. With top-of-the-line Spectra, says E.F. Hutton analyst Richard Schwarz, "the camera's show of strength is its alone." Mark Levine, editor of *Photographic Trade News*, offers this explanation: "What they've successfully done is convince the industry and consumers that this is an instant camera that is different — it's better."

Polaroid was determined to do it right. "Nothing was left to chance," observes Ted Voss, a marketing consultant and former vice president at Cambridge, Mass.-based Polaroid. "It was all planned to the last detail."

The company started out with a still-strong belief in the viability of the instant camera market. "People love to take and receive instant pictures; it's emotionally gratifying," explains Peter K. Eichorn, vice president/North American marketing operations for Polaroid. But Polaroid not only had to rekindle interest in instant, it had to convince enough picture takers that here was a new and *improved* instant camera. That's where many of the other, more concrete reasons for Polaroid's big score come in.

What does it do for company morale? ". . . A sense of vindication."

Polaroid made use aplenty of focus groups to find out what people did and didn't like about instant cameras. Lousy instant picture quality was high on the list of consumer complaints. Since Spectra is positioned to take sales not only from the point-and-shoot camera market, but reach into the 35mm category, too, this was a gripe the company had to address.

It did. Polaroid not only introduced new technology in Spectra, enabling it to take sharper, clearer pictures, but its lab produced a new instant film. Comments Voss, "The aura for Spectra had to be 'Quality' in the broad, artistic sense." In tv ads, a Spectra spokesman says the improved pictures are the result of a "churning molecular sea of stunning" Polaroid colors. It's actually due to an innovation in film makeup and dye chemistry.

Though, of course, it's partly a matter of taste, there is some question as to whether the new film makes better looking pictures than other Polaroid films. But there are some less aesthetically debatable differences. It yields, for starters, a picture that's about 15% larger. It also has a more rectangular, less square, picture area, making it more like that of the average 35mm print. Even the Spectra film packaging is more sophisticated and more colorful than those of other Polaroid films.

In addition, Polaroid offers a special "laser" reprint service to make copies of Spectra snaps. This, too, features a new technology that makes *these* reprints better than what is available for older Polaroid films. And the company has gone the extra mile in publicizing this print service. The result: The possibility of getting copies for those great instant snaps can figure into consumer purchase decisions. On top of that, Polaroid guarantees the quality of each snap. Even if a bad exposure isn't the fault of the camera or the film, the company will replace the film.

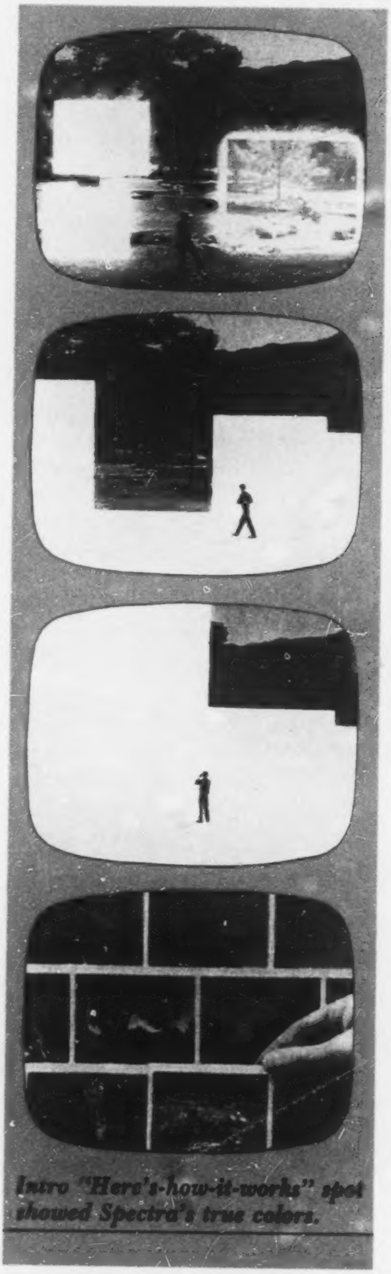
Photo dealers were also consulted throughout Spectra's development. Before a single camera was shipped, Polaroid gathered key photo specialty-store dealers together in Boston and, according to Gelotte Camera's Latsey, "they talked Spectra. They wanted this camera *not* to come out at 150 miles-per-hour," he says. "They wanted feedback before it rolled out." Educating the specialty dealers, who represent 40% of Spectra sales for the company, was a cornerstone of the camera's success. "It wasn't oversold. We knew exactly what we were putting on our shelves," he states.

And Polaroid didn't miss a beat in the public relations department, before or after Spectra's official introduction. As the roll-out approached, for instance, it unleashed a direct marketing blitz. In what's been termed a "seeding of cameras," Polaroid mailed more than 100,000 invitations to buy pre-launch Spectras to what Eichorn calls "opinion leaders — people who owned yachts longer than 60 feet, for example." These included entertainers, politicians, sports figures and celebrities from all walks of life. More than 4,000 influentials picked up on the offer and made an early buy of a Spectra.

Polaroid took Spectra on the road before its actual introduction, hitting a number of important trade shows here and abroad (Spectra now sells in Europe, Japan and Australia). But on April 2, the camera was officially unveiled, at a one-day cost of $1 million, at a Los Angeles get-together for the trade and consumer press in Los Angeles. The show-and-tell featured a behemoth, two-story Spectra mock-up the press could troop through.

After the launch, Polaroid put five "Spectra teams" on the road. Its people went to 60 malls in affluent communities and set up temporary booths where they explained the Spectra system and let shoppers use the cameras themselves.

Advertising was put to work before and after launch, too. Prior to roll-out, the company ran an outdoor teaser campaign on billboards along major thoroughfares in selected cities, and next to ski slopes in New England and Colorado. On April 21, two weeks before the first Spectra was scheduled to appear in stores, a teaser on tv aired announcing that soon "The world of science and art will become one."



Intro "Here's-how-it-works" spot showed Spectra's true colors.

On May 5, the first cameras went on sale and "Spectra Night," as the company calls it, made itself felt on television. Polaroid bought 60-second spots on every show in prime time on all three networks, roadblocking some shows. The print campaign officially broke then as well. Polaroid made heavy use of newspapers, going into 25 top market dailies. (Dealers say the company has an extremely good co-op program, too.) Ads blanketed major newsweeklies, business books and consumer and trade magazines, most of them in the form of six- or three-page inserts, or cover spreads. And new outdoor ads were unveiled.

Polaroid is hoping Spectra will regenerate its high-tech image, an image that has slipped considerably since the first Polaroid instant was introduced in 1947. Over the years, prices of the cameras tumbled, some falling to below $30, and picture quality didn't improve tremendously. Instants went from being the sophisticated new toy on the block to a chintzy gadget gathering dust on the shelf.

In an effort to change that, Polaroid is aiming its ad pitch, coming out of BBDO International, at a new target market. It is not pushing this camera to its traditionally mixed blue/white collar audience, aged 40 and over, with $20,000 plus income. It is instead, says Gary Moss, director of North American advertising at Polaroid, aiming at 25- to 40-year-old earners of at least $35,000, and a psychographic profile that reads "Innovators."

A rather "unscientific" but perhaps more telling indication that their aim is true results from behind-the-scenes snooping by Polaroid execs. According to Eichorn, they monitor the type of people using Spectra by the types of pictures they send in to the reprint service. Oh, there are still snaps of parties, he says, "but decidedly upmarket" ones, "not at the duplex with the chain-link fence, but parties around the swimming pool." And, he adds, they aren't seeing so much of "just ordinary cat and dog photos, but *ponies*."

The very embodiment of that strategy could be seen in the company's choice for Spectra Night spokesman — Ben Cross, a far cry from the longtime Polaroid spokes-duo, Mariette Hartley and James Garner. Cross is "not exactly a widely known personality," Moss agrees, but is someone who conveys the image of being "a bit erudite." Cross was strictly a launchman and has since been dropped from Spectra advertising.

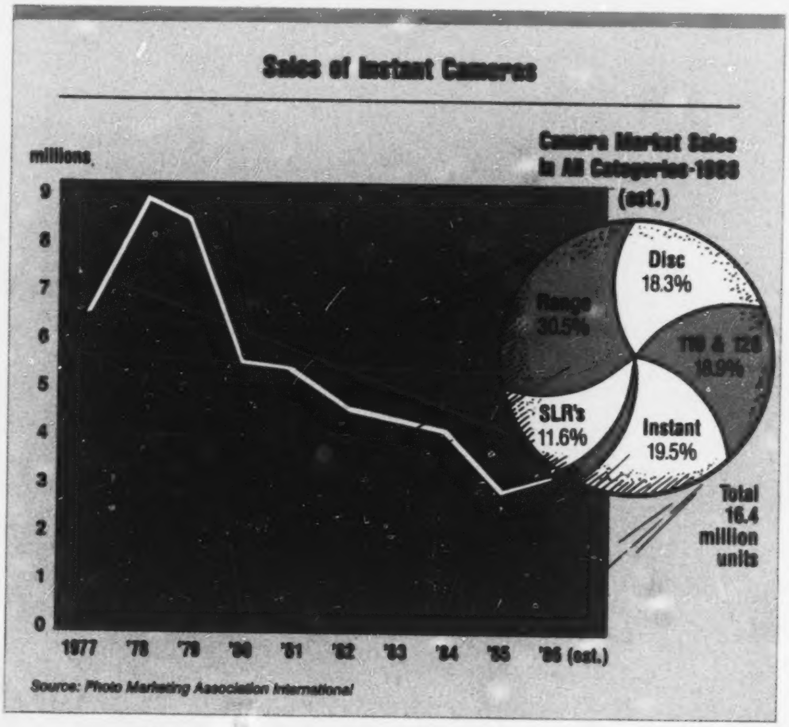
The introductory ad campaign ran on television from May through the end of June. Advertising was cut back to a maintenance level for the rest of the summer and was back in force during the World Series. While the first flight had Cross present a "Here's-how-it-works" spiel, the fall campaign, a series of three :30's, was spokesman-less and banged the 35mm drum more forcefully. The ads were a series of 30-second spots that flatly positioned the Spectra against 35mm cameras using the copyline "Which 35mm camera took these photographs?"

A final flight for 1986 was launched for the Christmas season. A group of :15's pushed Spectra as the perfect gift for over two weeks at what BBDO says was a high frequency level.

BBDO's Lonny Strum watched a $40 million ad campaign click.

BBDO says consumer tests show recall levels were "incredibly" high for Spectra ads, especially in print. "People remembered things like 'dual silicon photo diodes,' " exclaims Lonny Strum, senior vice president, management supervisor at BBDO. "I don't even know if half the people at Polaroid know" the term, he laughs.

Not only did Polaroid snag consumer interest with its upscale instant, it also attracted the attention of a wider range of sales outlets than it has in the past. In addition to its large photo specialty and discount store base, Polaroid got orders from high-gloss vendors like the Sharper Image. Even some department stores that don't have camera departments, like Bloomingdale's, grabbed at the new camera.



Source: Photo Marketing Association International

The company felt the need to differentiate what it made available to the variety of outlets placing orders. It offered a slightly more expensive, warranty-laden SE (special edition) model with a fancier camera-body finish to its up-market vendors. The mid-tier and discount stores got the basic camera.

All this demand translated into some temporary distribution problems for Polaroid. Some say the initial shortage was a ploy to whip dealer and consumer lust for Spectra to a fever pitch. Polaroid denies it, saying that they were surprised by the breadth of interest shown. Either way, demand exceeded supply and, says Eichorn, some stores at first had to be limited to three cameras and five packs of film.

Spectra has put Polaroid, a company that *is* its market, in an enviable position for growth. But to hear Polaroid tell it, the work's just begun. "The challenge in '87 is to keep the incredible momentum going," declares Gary Moss. "In some ways, that's going to be the hardest job."

It plans to launch a new $50 million ad campaign through BBDO in April, tied in part to the introduction of Spectra's first line extension. The Spectra Onyx will essentially have no new technology, but will feature a smoked plastic top enabling the user to see those works in action. Eichorn says he expects it to retail for about $200.

A lower Spectra price is something analysts expect to see. Eichorn says that's not in the cards for now. This winter the company is making a special trade-in offer in hopes of growing more Spectra buyers. Bring in any old camera and Polaroid will knock $20 off the purchase price of a new Spectra.

Yes, it's true that Polaroid isn't just a one-product company. While 60% of their sales still come from consumer cameras and film, they have an industrial photography division and have been expanding their magnetics division. "Clearly the company's on a strategy of not putting all their eggs in one basket," concludes E.F. Hutton's Richard Schwarz. But as for Spectra: "This is one big egg, make no mistake about it." ■

HOUSEHOLD PRODUCTS:
LEVER'S SURF DETERGENT

WINNER BY A NOSE

by Carol Hall

> “Surf — Removes dirt *and* odors!” Lever's obvious claim has helped it rise against P&G's Tide.

“O-h-h-h Daddy! Your shirt smells!” the little girl in the ad chokes. “Peee-yeeeewww!!” another cherubic child says more bluntly in a different spot.

Such comment may be indelicate, but definitely attention-getting. Lever Brothers wafted the message of “B.C.O.” (bad clothes odor) over a large part of the country last year to score a major marketing triumph in one of the toughest sales categories around. The standard bearer? Lever's Surf powdered laundry detergent.

STEVEN BEGLEITER

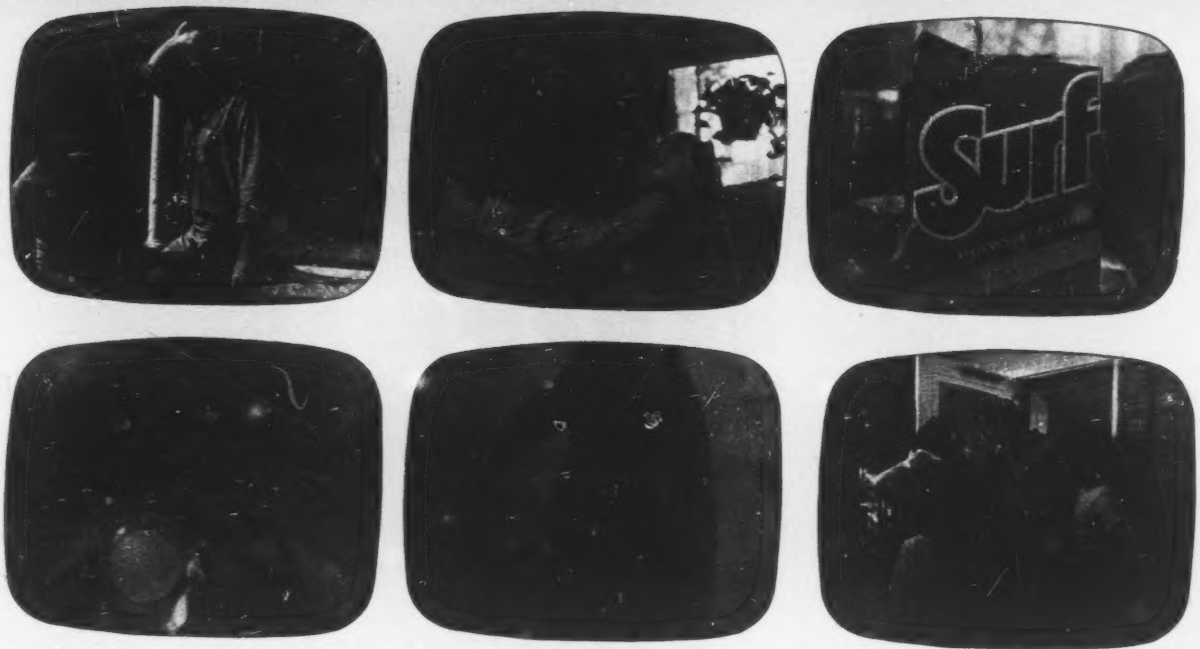
In less than three years, Surf has separated itself from the entries that make up the pack and pounded competitors such as Cheer, Bold and Fab. Though it was only in about 65% of the country by the end of 1986, its market share on a national basis was waving at an 8% level, according to Hercules Segalas, Drexel Burnham Lambert's household products industry analyst. That may not sound like much, but in this highly fragmented category, it was good for second place in the national ranking. Surf trails only Procter & Gamble's Tide, which continues its longstanding clean-up of the $3.5 billion business with a 19% take (some analysts put it at 22%). Aggressive spending on advertising and sales promotion have Surf swallowing up to 11% of the market in areas where it is sold.

Crows John Speirs, Lever's vice president of marketing for household products, “It's a huge business.” Surf powder's success also emboldened Lever Brothers, subsidiary of Unilever U.S., the American arm of Netherlands-based Unilever N.V., to introduce Surf liquid into a test market on the East Coast in 1985, and the liquid is now available in 15% of the country.

At one time, Surf would have been an unlikely subject of a success story. Here was the only new powder to hit the market since 1978, a soap with a recycled brand name and with what some say is none-too-new technology, and one with a name and a package that bring to mind its chief competitor, Tide.

Even members of the launch team weren't sure at first just how successful their new entry into the incredibly combative heavy-duty laundry detergent market would be. “It has surprised us, it really has,” exclaims one team member. “We thought we were going to get a niche in the market this big,” he says, spacing his thumb and forefinger an inch apart. “We end up getting not a niche but having a mainstream detergent out there.”

What went right? Drexel's Segalas, a former Procter & Gamble man, sums it up: “It's been a tremendous marketing job.” That it has. Lever rolled the product out slowly and supported it heavily, not only with ample ad spending, promotions and public relations events, but with one of the most impressive sampling campaigns ever



Smelly clothes gets top billing as a washday problem. O&M's campaign pushes Surf as the solution.

launched by a detergent marketer.

And what was the slogan Lever followed in bringing their powder to battle? "Surf — Removes dirt and odors!" Well, gee — don't they all say that? And where are the au courant laundry buzzwords like "surfactants," "enzymes," or even everyday "phosphates" in its headline?

The slogan takes, says Speirs, a very "single-minded approach." Slogans for most laundry detergents do: Lever's Wisk is famous for fighting "ring around the collar"; Procter & Gamble's Cheer is "all temperature." Surf emphasizes and re-emphasizes odor removal. It's a line that, believe it or not, no other laundry powder has ever pursued. And simple as it is and unlikely as it may seem that it could turn the head of today's consumer, sales have proved Lever research right: This is precisely the kind of washday problem people want solved.

Lever did its homework. Preliminary research showed that consumers were increasingly concerned with smelly clothes. Sweeping changes in the nation's work habits are why. People spend more of their work time behind desks than they do in factories or fields. They are, essentially, washing cleaner clothes these days. In addition, a high proportion of clothes are made of blended fabrics that tend to hold odors. In the absence of visible dirt, says Speirs, "odor removal has become an increasingly important way that consumers judge the cleanliness of their laundry."

While the industry is abuzz with talk of the "pouch" and washer/dryer strip, along comes Lever with a new powder.

Hence, Surf, a detergent with a now-patented formula that both removes and masks odors. Before its launch, Surf proved the highest scorer in intent-to-buy tests that Lever ever had for a detergent.

That it was launched with the odor-removal line isn't the only thing that at first glance looks anachronistic about Surf. At a time when the industry is abuzz with talk of innovations like the pre-measured detergent "pouch" and fabric strip that gets tossed into both the washer and the dryer, in addition to the still-growing liquid segment, here comes Lever with the first new powder since 1978. It is, says Hercules Segalas, "yesterday's technology. This is just a plain old heavy-duty phosphate detergent." A former Lever executive agrees: "It's a good detergent but, from a technological point of view, the product is not all that earth-shaking."

But Lever hardly sees Surf as a powder-detergent dinosaur. Though liquid detergents receive most of the industry's current advertising attention, roughly 60% of the market still belongs to the powdered soaps.

There are a number of reasons for that, first and foremost being that consumers are very, very slow to change their purchase habits. Powders have been around for decades and not only are people used to using them, but many think they get clothes cleaner and are cheaper than liquids. In fact, powders do actually work better in some areas, depending on the hardness of the wash water.

Detergent marketers aren't in any rush to bring about the demise of powders, either. Lever, like the rest, has a lot invested in manufacturing facilities geared to producing powders.

According to Theodore Brenner, president of the Soap and Detergent Association, Surf is formulated "with a fairly high level of phosphate in it."

Phosphates, in laundry detergent circles, have long been regarded as clothes cleaners par excellence. They are also the detergent ingredient that came under heaviest fire by environmentalists in the last decade. At the peak of the brouhaha, a number of companies began marketing non-phosphate soaps. Since then, sales of detergents with phosphates have become illegal in 28% of the country (by population), a condition that actually affects 35% of the U.S. due to resulting distribution problems. Surf powder is not available in those areas. Most liquid formulas don't contain phosphates because they can get clothes cleaner than non-phosphate powders.

Some might say that Lever just waited until consumers forgot their phosphate frenzy and dusted off, essentially, an old technology that indeed gets clothes cleaner than non-phosphate powders. Lever hotly denies this, however. "Phosphate legislation had nothing to do with the decision to go with Surf," insists John Speirs.

This isn't the first time Lever has used the Surf brand name for a detergent. The company's first Surf was introduced in 1948 and sank, according to industry watchers, to below a 1% share before it was yanked from the market in the mid-1970's.

But the Surf of the eighties is a revival in name only. Not only is the soap's formula new, its packaging is, too. Its resemblance to a competitor's hasn't escaped notice. "I suppose the fact that the graphics and the general appearance has a certain similarity to Tide is purely coincidental," chuckles the ex-Lever man.

Surf powder has rolled across the country in waves. First tested in Houston in 1983 where it achieved an encouraging 13% share, it had been distributed to the rest of the state and parts of the Southwest (about 5.8% of the population) by fall of 1984. The second wave, which took its coverage to over 20%, rolled over the Southeast by December 1985 and stage three reached into the Midwest for 20% more of the population by April 1986. By October of last year, Surf had been introduced to 16% more of the country, mostly Midwestern states.

Surf
TOUGH CLEANING
Tide

The similarity to Tide, both in name and packaging, hasn't escaped notice.

Houston was told "Surf is coming" in an outdoor teaser campaign before stores received their first shipments of it in April 1983. The cost was too high to tease other cities on the roll-out schedule, however.

Ad launches followed product roll-out across the country. John J. Reed, Jr., senior vice president/group director at Ogilvy & Mather, the agency handling the Surf account, says that about 50% of the ad dollars go to daytime and prime time network television and 20% goes into spot buys. The company also spends over 10% of its budget advertising against Hispanics, largely in the Los Angeles, Miami and Houston markets. Print receives 10% of Lever's budget for Surf powder, with most of it going into magazines like *Family Circle, Better Homes and Gardens, McCall's* and *People*. The print selections highlight the soap's target market: women 18- to 49-years-old, middle-income and with active lifestyles.

National Market Shares of Top Heavy-Duty Laundry Detergent Powders

Brand	% Share	Marketer
Tide	19.0	Procter & Gamble
Surf	8.0	Lever Bros.
Cheer	6.5	Procter & Gamble
All	5.0	Lever Bros.
Bold	5.0	Procter & Gamble
Fab	4.5	Colgate-Palmolive
Fresh Start	3.5	Colgate-Palmolive
Purex	3.5	Dial
Oxydol	2.5	Procter & Gamble
Dash	1.0	Procter & Gamble
Gain	1.0	Procter & Gamble

Source: Drexel Burnham Lambert

Reed says that ad expenditures total between $20 and $30 million for the powder. Despite the fact that the detergent category is a crowded one in terms of shelf space, Speirs reports that "the grocery trade has been extremely supportive of Surf because of the volume it does for them."

Cindy Spano, grocery buyer/merchandiser for Safeway, an Oakland, Calif.-based chain, says it has been carrying Surf since 1984 and is impressed with the advertising support Lever gives the brand. "They came into the market prepared to spend what it was going to take to be a force," she explains, adding that when Surf sales are good, it does one half to three fourths of Tide powder's sales.

However, during periods of low Surf advertising, she says, it sales fall off. That, she admits, is par for the course with most new detergents. As products that come pretty close to "commodity" status in consumer eyes, they have to struggle for awareness for the first three years or so of their availability. Tide and Cheer, she says, sell well regardless of their advertising, "but it took a long time for Procter & Gamble to get them there and it will take Surf awhile to get there."

Though advertising has been an important component of Lever's marketing strategy, much of the credit for the detergent's success goes to the massive sampling effort the company waged. With little boxes of Surf going to over 70% of households in rollout areas, John Speirs can aptly comment: "I would say this is the most extensive consumer sampling program in recent years in the household products industry." Expenditures for the samplings are separate from the advertising budget and, though the company won't release any figures, Speirs calls the dollars spent a "key investment."

The sampling and ad pushes were heavily backed by cents-off coupon inserts. In addition, public relations events are staged in various locales to underscore the active lifestyles depicted in Surf's ads. Soap-opera stars and local celebrities are recruited for softball games, the proceeds of which Lever donates to charity.

Lever could take the powder national by introducing a non-phosphate version, a tactic other powder marketers have used. Some analysts think they'll do just that. Speirs says, however, the company doesn't comment on expansion plans for any of its products.

Some observers, though, think Lever will opt for the other logical course of action. In some areas of the country, liquids clearly outsell powders; in others, powders are stronger. For the former, Lever may simply go into the market with its new liquid Surf, tested in 1985 and introduced into the Syracuse-Rochester-Buffalo market last spring. It's now available to 15% of the country. That's an option that could give the company the flexibility to plug the appropriate Surf into the appropriate market.

Lever already markets the number-one liquid, Wisk, a 22% shareholder that was first marketed nearly 30 years ago. Most likely it can't hurt Surf to have a liquid entry. That segment is continuing to grow, up from 25% of the market in 1985 to more than 30% now. Estimates say it will grow to 40% or 50% by 1990.

Success is nice and, for now, it's something Lever can point to in Surf detergent. But observers urge the company not to rest on its laurels.

Surf is one of a trio of badly needed new product successes for Lever. Profits at the consumer-products maker slid south between 1978 and 1982. In 1980, key management changes were made and a program of staff cuts, followed by a series of new-product introductions, was begun. Surf has proved itself a sales booster, along with Snuggle fabric softener and Sunlight dishwashing detergent, both introduced nationally in 1985. Due to heavy new-product costs and the fact that Lever wasn't operating from a position of strength when Surf was introduced, prudence may have played a big part in the conservative roll-out timetable. Drexel Burnham's Segalas estimates Lever has $150 million invested in Surf so far.

Success is nice and, for now, it's something Lever can point to in Surf. But observers urge the company not to rest on its laurels. "You can only do this for so long," says the former Lever exec. "When you're on the upcurve you'd better start looking for some [new] technology, which I'm sure they are doing. But we haven't seen it yet in the marketplace." ■

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SPIRITS:
BARTLES & JAYMES WINE COOLERS

THERE'S GOLD IN THEM THAR HICKS

by Pamela Ellis-Simons

Those folksy ads for Bartles & Jaymes belie owner Gallo's steely clout.

You can hate wine coolers or love them, but at least in 1986 you watched their ads. Actor Bruce Willis wooed the ladies for Seagram's cooler, while *Knots Landing*'s Donna Mills and others dressed in polar bear suits for Sun Country. Yet the commercials that no doubt won the most following star the whimsical Frank Bartles and silent Ed Jaymes. Played by two nonprofessional actors, the old geezers and their start-up cooler have tickled the funny bones of the country with their down-home naiveté and helped rocket Bartles & Jaymes into stardom as the top-seller in 1986 — an astounding eight months after its national launch.

As the popular series of over 100 Bartles & Jaymes ads tells us, Ed took out a second mortgage on his house and "wrote to Harvard for an MBA" to help the pair start their half white wine, half fruit juice business. Frank meekly asks us to buy their cooler "as a personal favor to Ed, who has a balloon payment coming up," or to help cover their $42.50 breakfast in New York City, which only surprised Frank when Ed explained it didn't include their rooms. (While in New York, they discover that their cooler even goes with "these big donuts they like to eat here . . . and fish," says a slightly befuddled Frank, pointing to a bagel.) Their seat-of-the-pants distribution network begins with a pickup truck being loaded by the marketing director.

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What makes the ads even funnier is that Frank and Ed are the exact opposite of their parent, E&J Gallo Winery. Indeed, part of the brand's initial appeal, say retailers, was that consumers mistook it for a real start-up operation by a couple of hicks.

Instead, Bartles & Jaymes is the latest success of the Gallo winery, the largest wine producer in the world and, unlike Frank and Ed, immensely profitable. Its sales were estimated to be over $1 billion in 1985, according to *Fortune* magazine. Owned and managed by the brothers Ernest and Julio, Gallo is both feared and respected in the industry. Its marketing prowess is legend; its 300-page sales training manual is the industry bible; and among the former employees are numerous heads of wine companies.

"Gallo is a very competitive company," says L. Randy Riley, former senior marketing director at the company and now a vice president with Howard/Marlboro Group, a New York City marketing communications company. "It might be feared like the Detroit Lions fear playing the New York Giants. But all it tries to do is use all the information in the best way to get the retailer to do what is good for Gallo and for him. And when it does something, it does it well and really commits to it."

Adds Harvey Steiman, managing

GEORGE STEINMETZ

editor of *The Wine Spectator*, a serious wine-lover's publication, "Gallo dominates the wine industry. They just roll up their sleeves, make sure they have the grapes, make a good product and then market the hell out of it."

Gallo may not have created the wine cooler business, but in 1986 its marketing muscle clearly established it as big business. *Impact*, the respected industry newsletter, estimates the $1 billion wine cooler industry shipped 75 million cases of coolers last year, up 74% over 1985. (*Impact* now tracks coolers as a fourth category to beer, wine and spirits.) According to its figures, Bartles & Jaymes' sales skyrocketed 126.7% by the end of last year to 17 million cases, representing 22.7% of the market. The closest competitor at a 17.3% share is California Cooler, whose founders Stuart Bewley and Michael Crete created the half wine, half citrus juice concoction and sold out to Brown-Forman in 1984 for $55 million in cash plus another $83 million, if volume meets expectations.

Part of Bartles & Jaymes' success comes from carving out a new niche in the wine cooler market. California Cooler and Sun Country, currently number three but gaining, are both made with citrus juice pulp, resulting in a cloudy beverage. Hoping they will be guzzled like beer, the two companies package them in green-glassed bottles resembling imported beer. In contrast, Gallo and The Seagram Wine Company make a less-sweet product and package it in green, no-shoulder bottles resembling white wine bottles. "It looks and tastes like ginger-ale," says Steiman, whose *Wine Spectator* is a sister publication of *Impact*. "It is not the kind of thing our readers would like but Bartles & Jaymes is the one I could drink."

> "A lot of people who don't wear legwarmers are interested in coolers."
>
> ***Hal Riney***
> ***Founder,***
> ***Hal Riney & Partners, Inc.***

Gallo's advantage over Seagram is its established and awesome sales and distribution network. "It was first out with a clear cooler and got the jump on Seagram," says Joe McDonald, vice president of advertising and corporate accounts at Canandaigua Wine Co., the fast-expanding New York state-based winery that produces Sun Country. "They have clout with distributors and the market to put into action what other people only talk about."

Ernest Gallo, the self-taught marketer, runs the cracker-jack sales force that helps Gallo wines capture the all-important end-aisle displays in the country's retail outlets. (The publicity-shy Gallo brothers declined to be interviewed for this story, and the company is notorious for its secrecy. The buildings on the 400-acre winery in Modesto are unmarked.)

As industry sources relate, Gallo's national corp of salespeople is key to its marketing clout. "They understand the alcoholic beverage industry and most importantly, the retailers' business — how people shop — and they market accordingly in those stores," says Riley. For instance, the salespeople will explain to retailers how the Gallo line of products builds from jug wines to varietals. They will stress how much Gallo spends on advertising and show what in-store displays they offer. Furthermore, they act as consultants, advising on how to make more money on wine, how to cross-merchandise products and where to put displays outside the wine area. In return, they may ask for key positioning of Gallo wine (eye level down and running three feet in either direction, which is the eye's widest range.)

With discounting and ad budgets climbing — $120 million was spent on cooler ads — profit margins are getting squeezed.

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CALIFORNIA COOLER
THE REAL STUFF

"Other salesforces try (to do the same thing), but Gallo's field marketing and distribution force is stronger," Riley explains. "It sounds so basic, but some companies let up a little. Gallo is not one of them."

Over time, amazing stories have been told about the enthusiasm of Gallo's sales staff. In an October 1986 cover story about Gallo, *The Wine Spectator* quoted a Gallo distributor describing how Ernest asks his salesmen to call on accounts on Mother's Day and Fourth of July, when most companies take the day off. Over-zealous salesmen used to pay off store managers to get Gallo wines in the most strategic positions, according to the cover story. And, if it is to be believed, the article quoted a former employee admitting that if bribes and free dinners didn't win Gallo display space and food shelf positions, "we'd buy every bottle of our competitors' wine and take them in the parking lot and break every bottle. We'd replace their wines with Gallo. It was war."

Ernest drives himself hard as well. A shy and conscientious man, he has been said to watch tv just to make sure Gallo is getting its money's worth in advertising. And he has been known to check Gallo's positions in wine shops, drug stores and supermarkets. He has even reportedly called on accounts using a fictitious name to learn firsthand what retailers thought of his product.

Gallo does most of its marketing on tv and in the store. "Gallo's philosophy is what happens in the stores is absolutely critical," says a former executive. "Chances are wine won't be on the shopping list — it depends greatly on impulse purchase. So it needs to be exposed to the consumer with the right imagery."

One of Gallo's fortes is grabby in-store displays. For Bartles & Jaymes, the company supplies retailers with a life-size cardboard front porch like Frank and Ed's. The display changes, with Frank in a rocker, Ed climbing a ladder, or the addition of a sad-looking bloodhound called The Thirst Dog. In supermarkets, Gallo salesmen push food and wine display signs, the executive adds, to appeal aesthetically to those that aren't necessarily wine drinkers. In a Southern California Ralph's supermarket, for example, a picnicking Frank and Ed invite shoppers to "eat out tonight."

For large liquor chains, some coolers' high volume and discounts are enough to give them an automatic edge in display positions. At Liquor Barn in Pasadena, Calif., for instance, management buys warehouse-size orders of Seagram's coolers and Bartles & Jaymes, receiving deeper discounts than competitors. Liquor Barn then discounts the price to the consumer, says manager Tony Hetherman, and naturally puts up a Gallo and Seagram display on the end of the aisle to promote them.

But for mom-and-pop stores that can't afford to buy in large quantities, the kid-glove treatment the salesforce offers — from stacking the retail shelves to dusting them — earns them good positions and display space.

Distribution of the product, which has stymied some cooler companies, is also a Gallo forte. In some markets, the distributor is Gallo-owned, meaning the company is vertically-integrated from its glass plant to trucking lines and distribution companies. In other markets, it uses independents like its competitors. But, says Eileen Fredrikson, vice president at wine industry consultants Gomberg, Fredrikson & Associates in San Francisco, "One out of every four bottles of wine drunk in America is a Gallo product, so be assured they have the most well-established distribution system of anyone in the industry."

Indeed, California Cooler got into trouble using beer distributors as it went national. Beer distributors initially visited their accounts more frequently than their wine cousins, which helped California Cooler introduce its product. But beer distributors have smaller territories than their wine counterparts. As a result, says Canandaigua's McDonald, California Cooler had half-a-dozen beer distributors calling on a large regional supermarket chain — sometimes each with a different price. "The chains didn't like dealing with so many people versus one wine distributor and one price for all the region," he explains.

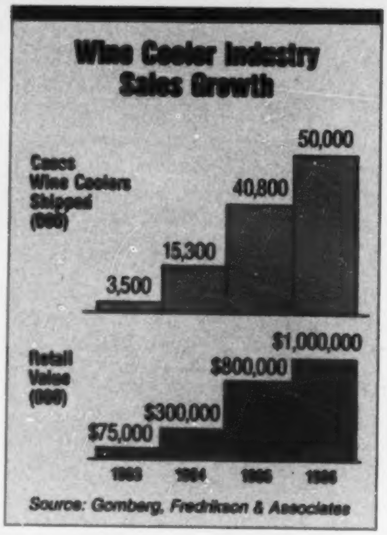
Gallo's other marketing battleground is on tv and there its huge advertising budget has pushed the industry into higher and higher spending, topping $120 million last year. Gallo spent nearly $20 million on the first 20 Bartles & Jaymes ads in 1985, according to the magazine *Market Watch*, another relative of *Impact*. Sources estimate Gallo spent between $25 million and $35 million on the cooler last year.

In response, Canandaigua spent $33 million in 1986 and will spend $40 million this year to launch Sun Country Classic, a clear cooler using Ringo Starr as its new spokesperson. "And we'd love to cut back," snaps McDonald. Seagram, meanwhile, is "spending what it takes" to compete, says a company spokesperson.

According to sources, Seagram spent about the same amount as Gallo last year and reportedly is paying ladies' man Bruce Willis between $4 million and $7 million to woo a series of women (including a bride) over to Seagram's Golden Wine Cooler. Brown-Forman is expected to spend as much as the others this year as it extends its "The Real Stuff" campaign.

Gallo spends virtually all of its advertising dollars on television. It has no print or radio campaign and the Gallo brothers don't believe in an alcoholic beverage sponsoring sports or other events, says company spokesperson Daniel Solomon. In fact, Gallo has gone through its share of ad agencies, "mostly because Ernest is difficult to please," says *The Wine Spectator*.

But they came to the right person to give its cooler a quick personality. Hal Riney, then managing director and creative director of Ogilvy & Mather's San Francisco office, was given the job of differentiating the Gallo cooler from the hordes of others.



Source: Gomberg, Fredrikson & Associates

"All the campaigns were being developed at the same time," says Riney, who has gone on to found his own agency, Hal Riney & Partners, Inc. "We felt the typical packaged goods formula was in their plans. And we felt a contemporary spokesperson, because the drinker is younger and skews to women, would be so transparent and obvious that our advertising would run the risk of looking like everyone else's." Riney named the product Bartles & Jaymes, choosing names out of the phonebook, with the idea of doing something with a couple of guys.

While admitting Frank and Ed are older than most cooler drinkers, he lovingly defends their "hick" status. "Frank and Ed are pretty sophisticated in their own funny way," says Riney, considered the country's hottest creative executive at the moment. "I feel they appeal across the board. Humor bridges all kinds of audiences," he points out. "The usual advertising crafted to reach the younger beverage user is very narrow and perhaps too specific in its appeal. A lot of people who don't wear legwarmers are interested in coolers."

Gallo keeps Frank and Ed fresh by restricting them to commercials only. There is a Bartles & Jaymes booster club, whose 50,000 members receive autographed pictures of Frank and Ed. Gallo is considering marketing T-shirts and jackets through the club as well.

Riney won't reveal any more of his advertising strategy than Gallo will, except to explain that conceiving the ads as an ever-changing serial "keeps the campaign interesting." Others add that it gives Gallo tremendous flexibility that other coolers miss. Competitors produce one or two commercials a year, selecting one or two messages and praying they have guessed right. Frank and Ed can change the subject frequently or tie the cooler into holidays or focus on different markets, like they did by going on location to New York City.

The huge sums spent on tv, however, have cooled some competitors to the whole subject. Heublein Inc., recently sold by RJR Nabisco to Grand Metropolitan, the big London-based spirits marketer, worries that the ad investment needed and the deep price-cutting make for an unhealthy business. Its TJ Swann and Citronet coolers, ranked 23 and 25 respectively by *Impact* in 1985, have never caught on. Asks a spokesperson, "Is anyone making a profit in the business?"

The battleground is getting more high-pitched as the huge number of coolers jockey for shelf-space. Most of the major brands are flooding the market with new flavors. Sun Country boasts six different flavored coolers, including orange, peach, cherry and tropical. California Cooler's orange flavor is considered better-tasting by many than its original citrus.

So far, Gallo is sticking to basics. The company won't comment but some think it is letting smaller brands find flavor niches while Gallo dominates the mainstream drink. Others argue that company plants are at full capacity as it is and could not accommodate another cooler. Whatever the reason, Gallo could lose some share. Seagram introduces apple cranberry and wild berries coolers this month and when it launched its peach cooler with Bruce Willis, it gained some share from Gallo, says Canandaigua's McDonald.

New packaging has helped some brands as well. Sun Country is the innovator of the large, two-liter plastic bottle and saw its market share increase at California Cooler's expense, says McDonald. He says Sun Country owns 75% of that larger bottle business.

Gallo's only major weakness is its slowness, says one outsider. "It could have gotten into the cooler business sooner," says this industry source. "Ernest is a very patient man and the organization is patient," says the same source. "For instance, Gallo did not get into light wines [along with others] — and that was a genius decision on its own." ■

ENTERTAINMENT:
KING WORLD

PRIZE PACKAGERS

Research is the key to King World's crown in the syndicated television program arena.

by Marianne Paskowski

"I'm not a philanthropist," grunts Roger King, the larger-than-life chairman of the board of King World Productions. Tv station managers, who have paid King World upwards of $125,000 a week to air *Wheel of Fortune*, would not argue the point.

King World can afford to take a tough approach to the tv programing business because it is playing with a hot hand. In a year which did not bestow riches on the broadcast business in general, King World, which distributes other companies' first-run programs on a cash/barter basis to tv stations around the country, is sitting pretty. It distributes three of the top 10 shows in first-run syndication: *Wheel of Fortune* (#1); *Jeopardy* (#2); and *The Oprah Winfrey Show* (#8).

Those hits have left King World's pockets bulging with cash. For the fiscal year ending August 31, 1986, the company's revenues totalled $145 million, a 54% increase over the year before. Net income shot up a staggering 102%.

And even though some syndicators have been left flat as overextended tv stations renege on their programing debts, King World continues unscathed. With 95% of its revenues generated from better-financed affiliate stations, King World reported that sales were up 54% and net income 53% for the first fis-

Oprah Winfrey, Jeopardy, Little Rascals, Wheel of Fortune, David Brenner

King's court, from the left: president Michael King; chairman Roger King; exec vp Stuart Hersch.

cal quarter ended last November. Stockholders of the formerly family-owned business, which went public in 1985, weren't complaining either: The stock split three times over the past year.

Some analysts predict that financial results for King World will continue to bring cheer. "They're sure to have similar success through 1989," believes Dennis McAlpine, entertainment analyst at Oppenheimer & Co. He points out that stations have already renewed contracts for King World's three top shows up until that date.

How did King World, known only a few years ago as the distributor of *Little Rascal* reruns, succeed? Luck has played a role for sure, but the marketplace says it's really because Roger King and his brother Michael, (who serves as president and chief executive officer) are sharp, highly aggressive marketers. They spend and depend heavily on research to tell them about market niches, needs and reactions. Furthermore, they are known as terrific sellers. They coddle their stations with customized sales and audience research, help them plan schedules and offer huge amounts of ad support.

Joe Ahern, general manager of WLS-TV, Chicago, which produces *The Oprah Winfrey Show*, has high praise for King World. "We interviewed a couple of syndicators to distribute *Oprah*, but we felt they already had a tremendous sales advantage with stations because of their *Wheel* and *Jeopardy* base," Ahern explains. "They had the experience, a strong sales force and a good understanding of research."

Of course, one big key to King World's success is that they've tied themselves in with some pretty good producers. Its producing partners include Coca-Cola Entertainment's recently acquired Merv Griffin Enterprises, which puts together both *Wheel* and *Jeopardy*; WLS-TV, the ABC O&O in Chicago, which produces *Oprah*; and Motown Productions, producer of *Nightlife*, a talk/variety show hosted by David Brenner. King World recently entered an agreement to distribute *The Laugh Machine*, a George Schlatter Production.

King World, once it has paid the producer for the rights to distribute the show, keeps approximately one-third of the revenues generated from licensing fees paid by the stations. King World has a different arrangement (and a much larger cut of the action) with WLS-TV, because the network O&O cannot legally participate in the distribution of its own programing.

In addition, King World, through its three-year-old Camelot Entertainment division, sells the national advertising time for the programs it clears. Camelot ad sales now account for nearly one-third of the company's revenues. "Our job is to handle these successful programs without bludgeoning advertisers and leaving behind hard feelings," explains Rick Levy, president of Camelot Entertainment.

So far, advertisers seem happy. Lever Brothers, McDonald's, Kraft, Ralston Purina and Richardson Vicks are among those plunking down $90,000 for a 30-second spot in *Wheel*, $50,000 for the same unit in *Jeopardy* and about $20,000 in *Oprah*.

While the cost may be high, the mitigating factor is that "King World/Camelot spares no expense to make something work," notes David Lerner, vice president of broadcast at FCB/Leber Katz in New York. "They know this business inside out."

Dan Riordan, director of broadcast, Lever Brothers, gives Camelot high marks for "the stewardship of the buy." By that Riordan means Camelot follows through on the details, like making sure that makegoods are delivered in flight, and not months later.

Maybe advertisers relate so well to King World because the company is obviously a believer in the power of advertising. Last year it spent $10 million promoting *Wheel*, *Jeopardy* and *Oprah*. That's a sum, Roger King points out, that is more than what some barter syndicators will pull in all year in revenues. The money is earmarked for customized station promotional spots delivered by satellite for the various programs. Last year, King World picked up the tab for 4,500 spots.

King World's major strengths, though, are research and sales, believes Oppenheimer's McAlpine. Nearly all of the company's business decisions today are firmly rooted in research. The nine-person research department in New York plays a pivotal role in evaluating the potential success of new programs, as well as developing the best marketing plans for programs the company decides to get involved with.

Like most syndicators, the bulk of King World research is based on analysis of the Nielsen and Arbitron ratings. But the company also works with outside consultants like ASI Market Research Inc. to conduct focus groups that gauge viewer attitudes about certain aspects of King World's shows, outlines Moira Dunlevy, King World's vice president of research. "This is a very research-oriented company, and the relationship that research has at King World is different in that management respects it," Dunlevy adds. "The rest of the syndication industry is coming around to that now, but these guys were doing it five years ago."

Other syndicators agree that King World relies more on research than is the industry norm. "Not only do they have more research people internally than the two we have, they also use outside services far more frequently," admits one first-run syndicator. Furthermore, he confides, "they listen to what research tells them. Too often we ignore study results because they fly in the face of what our owner thinks the show should be."

Based on research of the current tv marketplace, King World will introduce only one new show for the upcoming 1987-88 season, *The Laugh Machine*. "After looking at the ratings of the top 50 markets, plus the competition, I suggested it would be risky to enter into other new areas because there were not enough good slots avail-

VA-VA-VA-VANNA

Okay — so she knows her ABC's. So she's got the typical All-American starlet curves and smile. Is this enough to make her a STAR? Well, start turning over, Lee Strasberg and Irving Thalberg, because the answer is yes. Vanna White, who glides, smiles and turns big letters on a big television gameshow board — but never says a word — has arrived. And arrived big.

Her face — and other parts — have been plastered on numerous magazine covers, including *People*; she's done the requisite poster; there's a book deal in the works (*Vanna Speaks*); rumors of movie and endorsement deals abound; and she's gotten the ultimate accolade — a commercial for McDonald's. This isn't bad for a 29-year-old who didn't have too many other credits before she was picked out of a lineup of 200 other women to become the letter-turner on King World's *Wheel of Fortune* syndicated tv show.

Indeed, Vanna owes her success and hefty paychecks to King World. The syndicator has meticulously and shrewdly marketed her, making her into a business and an insurance policy for the continued success of their show.

Curtain: 1983-1984. Though doing well, *Wheel of Fortune* still needed to crash into major markets. Enter David Sams, who was King World's vice president of creative services until his recent departure to start his own company. A spotlight lover with a longing for "the days when they wired theater chairs and shocked viewers at key scenes," Sams felt audiences had grown immune to the "cookie cutter clip spots" that typified tv promotion.

That's about all the backing *Wheel of Fortune* had at that time: spots catching contestants in the great giggle of prize-winning. Knowing that stations do the most promoting for access shows, Sams found an "element to promote" in letter-turner Vanna White and quickly committed the show to thousands of customized promotions featuring her — 30-, 20-, and 10-second spots — for local stations at no charge.

"The philosophy was to make *Wheel of Fortune* the grass roots, hometown show," Sams says, a plan that fit White's anonymity, Southern roots and charm. "The national press wasn't interested in doing a lot on another game show figure, so we had to create such local-market momentum that they couldn't ignore Vanna as just another pretty face."

When Vanna wasn't filming *Wheel* (the show takes up 12 days out of the month), King World put her on the road to look-a-like contests, contestant drawings and parades.

One big step into national coverage came last spring at a Nelsonville, Ohio, parade staged as part of the "Whose Life Will It Change Tonight" campaign for the show. Some 15,000 people turned out to see White wave from the top of a spinning *Wheel* float as Harvey, a fictitious winner, made his mock-proud return. King World got what Sams had planned: wire-service stories in papers across the country, and a full-color feature spread picturing White in *USA Today*.

Meanwhile, Sams kept his letter-turner on the tube. Last year, White made a sizable share of the 5,000 ($5 million worth of production) customized *Wheel of Fortune* spots, which garnered some $50-odd million worth of airtime exposure free of charge. That's not counting *TV Guide* coverage, and other product spots and local radio interviews which revealed White's down-to-earth view of her quiet *Wheel* role. King World has found its queen.

"She is still tv's mystery woman," insists one independent public relations executive. "That's one reason she's such a success: People fantasize about what kind of person she really is." Throughout, White has made herself accessible.

The challenge facing her new personal manager, Ray Manzella, is how to *limit* endorsements and appearances. Yet while White has grown far bigger than her on-screen role, Sams, for one, attests, "she remembers where the paychecks stem from." According to her contract, those $100,000-plus *Wheel* paychecks should keep coming for another three years. But just in case they do stop — don't worry. Vanna's taking acting lessons.

Fred Pfaff

able," explains Dunlevy.

And even though *The Tony Orlando Show*, produced by the Post-Newsweek Stations, did well in its eight-week test in the Detroit market with a 7-8 average rating, King World has not yet started to sell the show to stations. Research, again, said no.

The research department also insists that its salespeople go out with customized studies when they call on tv stations. A typical report might include a ratings analysis of each station in the market plus suggestions from King World on which time periods are best for certain shows.

While this is certainly not a unique practice among syndicators, stations which have followed King World's research advice have seen the payoff. For example, research indicated that *Oprah* could get higher ratings in early fringe, compared with morning, where it ran in most markets. "We could see *Oprah* skewed young and that there is more audience available in fringe following the soap operas," explains, Roger King. Brother Michael says the positioning helped and that "*Oprah* hit the ground running," but also points out, "We did spend a fortune promoting her and we did catch a break with Steven Spielberg."

King is refering to Winfrey's Academy Award nomination for her role in *The Color Purple*. News of Winfrey's nomination broke just before the National Association of Television Program Executives conference convened last year, where the King brothers began selling the show.

Jeopardy, too, benefited from research. When the show was launched in 1985, it performed so poorly that a station in Los Angeles yanked it after airing the show for only five weeks. King World hired an outside research firm to find out what was ailing *Jeopardy*. "They found that the buzzer was irritating the audience," recalls Sid Cohen, King World's president of domestic television distribution. "So we got rid of it." Ratings improved immediately.

King World further hopes to improve *Jeopardy*'s ratings by convincing ABC affiliates, in particular, to move up the early evening network news and air *Jeopardy* instead. WABC-TV, the ABC O&O in New York City, has done just that. The station's overall ratings are up 22% in the 4 p.m. to 8 p.m. period. "This could really change the face of syndication, allowing stations to generate more revenue with an hour of entertainment in access," Dunlevy believes.

King World's Cohen likes to describe his troops as programing consultants. "We try to think like a tv station, looking at a show from every possible angle," he says. "We look at what will run in front of it, in back of it. King World also offers its customers a unique sales tool: Stations receive "daily specifics" on each show's programing via satellite.

"This is a definite advantage," believes King World customer John Moczulski, director of programing services at KGO-TV, the Capital Cities/ABC O&O in San Francisco. KGO carries *Oprah* and is considering *The Laugh Machine* for 1987-88. The daily promotions give the scoop on which topics Winfrey will cover and which guests will appear daily, so that the station can customize its own promotions.

If King World sounds like it has all the answers, keep in mind that the company has had its share of flops. Last year, King World introduced *True Confessions*, a daytime magazine, and *Rock & Roll Evening News*, a late night program aimed at young viewers. Both were cancelled due to low ratings. "We learned a lot about barter with *True Confessions*," recalls Roger King, "and quite frankly it cost us several million dollars." Also in limbo at the moment is *Nightlife*, a late night variety show hosted by David Brenner, which has had a rocky start.

But few things set the King brothers back for long. Hardly shy about their achievements, the King brothers agree wholeheartedly that they are good. Their strategy: "We start with the best show we can get; find the best environment, the best station lineup; and back it up with the best promotion," outlines the tall, heavy set Roger King. Echoes brother Michael, "Whatever it takes, that's what we do." That seemingly simple notion is likely to keep the syndication crown at King for some time to come. ■

Top 10 Syndicated Programs*

Program	Syndicator	No. of markets	Rating	Share	% coverage
1. Wheel of Fortune	King World	199	19.3	33	99.6
2. Jeopardy	King World	189	12.3	26	98.4
3. PM Magazine	Group W Productions	45	9.7	18	36.6
4. New Newlywed Game	Clarion Communications	181	8.9	17	96.5
5. M*A*S*H	Twentieth Century Fox	159	8.7	19	90.6
6. People's Court	Lorimar-Telepictures	181	8.2	21	95.3
7. Three's Company	D.L. Taffner Ltd	143	7.9	18	84.7
8. Oprah Winfrey Show	King World	131	7.7	31	89.3
9. Southwest Conference Football	Raycom Sports	19	7.7	25	7.4
10. Phil Donahue Show	Multimedia	181	7.6	29	97.9

*Nielsen/Cassandra, Nov. 1986

HOME ELECTRONICS:
JVC-C CAMCORDER

CUTTING RIVALS DOWN TO SIZE

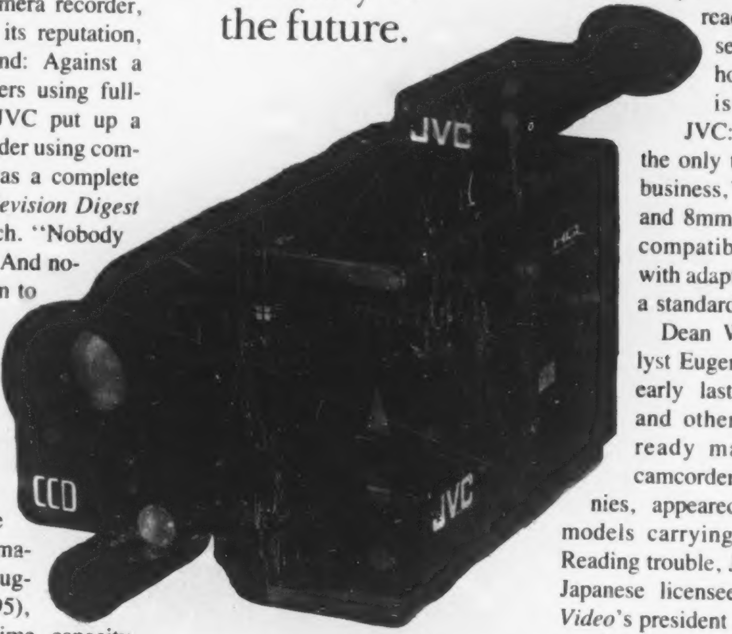
As 8mm threatened, JVC recorded a smashing success with a VHS compact that may be the future.

by Fred Pfaff

Playback: Two years ago, JVC Co. of America, U.S. marketing arm of the inventor and licensor of the VHS format, brought to market the company's first video camera recorder, or camcorder. True to its reputation, JVC had broken ground: Against a wave of wieldy recorders using full-sized VHS cassettes, JVC put up a portable VHS-C camcorder using compact VHS tapes. "It was a complete bomb," remembers *Television Digest* editor David Lachenbruch. "Nobody paid any attention to it. And nobody ever expected them to revive it."

At the spring 1986 Consumer Electronics Show, JVC did just that, and set the fast-growing camcorder marketplace on its ear. The model, an all-in-one portable "videomovie" machine called GR-C7 (suggested retail price: $1,495), extended the playing time capacity from 20 to 60 minutes and featured a hard plastic carrying case that contained all of the necessary accessories. More importantly, it was small and light enough to be held easily with one hand, thereby offering a VHS option to the revolutionary 8mm format being pioneered by Sony.

Using a combination of reported arm-twisting among its Japanese colleagues, wider-than-usual distribution and an ad assault against 8mm, JVC brought the VHS-C format to command around 20% of the 1.1 million camcorder unit sales for 1986, as reported by the Electronic Industries Association. It also leads the field with an estimated 55% share of the segment.



"JVC did a fantastic job of revising the system," applauds Lachenbruch. "Now it seems it's off to the races."

Not without competition, and not without controversy. JVC has invited both. When JVC joined 126 other manufacturers in signing a basic technological standards pact for the 8mm format six years ago, some mistakenly read that as industry consensus of the future of home video. But 8mm is too dangerous for JVC: "VHS royalties are the only thing keeping JVC in business," says one observer, and 8mm is a stand-alone, incompatible format. VHS-C, with adaption, can be played on a standard VHS system.

Dean Witter Reynolds analyst Eugene Glazer recalls that early last spring, Matsushita and other heavyweights, already manufacturing 8mm camcorders for other companies, appeared ready to roll out models carrying their own names. Reading trouble, JVC went to all of its Japanese licensees and waged what *Video*'s president and managing director Jay Rosenfeld terms "an intense marketing campaign to convince manufacturers that VHS-C was the way to go." JVC won out. It introduced its GR-C7 with the knowledge that industry giants would soon follow it into the format (and with some crying that JVC had betrayed the industry).

But JVC still had to go it alone at the start, and to do so it needed to break some of its own age-old patterns. Tra-

JEFF THOMPSON

ditionally an engineering company reputed for premium merchandise that sells out in specialty stores, JVC first had to widen its sights to the mass market, which national sales and marketing manager Steve Isaacson felt would react to the model's small size and portability. He pointed JVC toward a target market of "very male, upwardly mobile 25-54 year olds with incomes over $25,000."

Second, JVC actually had to market the innovation this time. Analysts note that with its past innovations — most notably the invention of the VHS format — JVC had ridden the wave of popularity generated by larger, more mass-oriented Japanese manufacturers with far fatter advertising and promotion wallets (all the while, of course, collecting royalties). But notes Eugene Glazer, "for the first time JVC, not a terribly well-known brand in the U.S., had something unique to it."

And third, JVC had to market it without the support of many of its traditional specialty store and power retailer chain outlets. At the GR-C7 debut, "the majority of power retailers weren't positive at all," confirms Isaacson. "They were concerned by the models JVC had had before. And their attitude tends to be, 'How much money will you put behind it and how much will I get in merchandising?' They knew we didn't have the financial capability of a Panasonic to back up the GR-C7 with a massive ad campaign."

> "Power retailers were not positive at all. So we had to get to the more visible places where video hardware is sold."
>
> *Steve Isaacson*
> *National sales and marketing manager,*
> *JVC Co. of America*

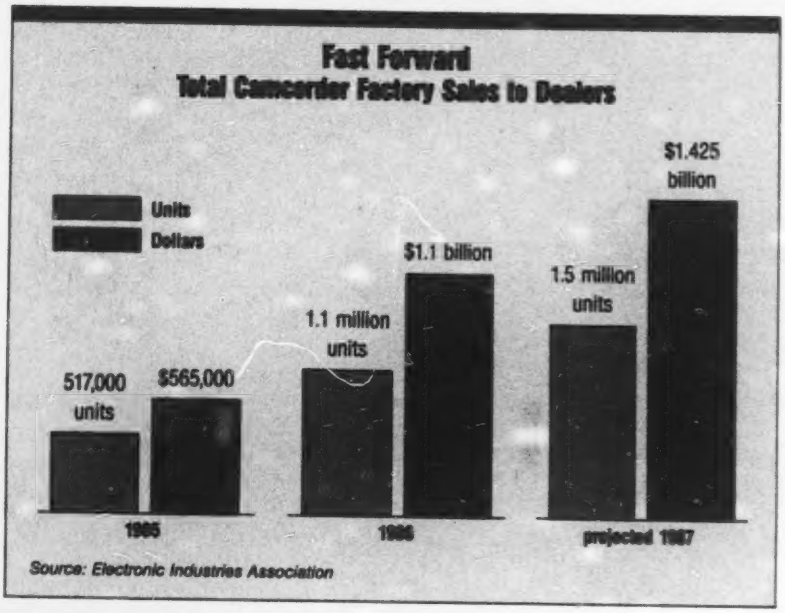
More excited, however, were department stores and large home electronic chains. The chains presented an opportunity for wider distribution as well as a new kind of challenge: To maintain the integrity of the product within a highly price-sensitive environment at a time when down and dirty price cutting are the status quo in video. Isaacson took on that challenge looking for mass exposure and knowing that splashier chains are the place of big-ticket impulse buying for much of the young, upscale market. Camera stores, the strongholds of the 8mm makers, were avoided. "We wanted to get to the more visible places where video hardware is sold," says Isaacson.

The last thing JVC needed was a typical flurry of small newspaper ads playing down the product's presence and playing up a low price. Isaacson stressed the product's uniqueness, and retailers agreed to downplay price in favor of "storytelling ads"; in the case of one large Midwest department store chain, making that agreement was a key factor in getting on JVC's list.

To start off, JVC produced four-color brochures for major stores carrying the GR-C7 that appeared around Father's Day, just about the time of the product launch at the spring CES. Then retailers, using co-op funds negotiated on a package basis, began running ads with large photos of the GR-C7 prominently featured.

But it was the $4 million national ad effort handled by SSC&B Inc., an outlay and high-profile move rare for JVC, that made the biggest hit. JVC went head-on against the 8mm format with tv and consumer/trade print ads that sent Sony lawyers to the networks' ad complaint boards and Sony ad people to the drawing boards for a return shot. During June and July, print ads depicting a GR-C7 taking aim at an eight-ball-turned-camera ran in buff books *Video* and *Video Review* as well as selected consumer electronics trade books and 15 general consumer titles including *Esquire*, *People* and *Life*, according to SSC&B account executive Joe Pantigoso.

At the same time, JVC made its biggest hit on the screen. In eight markets (New York, San Francisco, Washington, Los Angeles, Chicago, Dallas, Minneapolis and Houston), where 60-second radio spots also ran, viewers watched a 30-second spot ("Pool Hall") in which a brash young hustler (JVC) beats an old pro (Sony) because his JVC has more features and VHS compatibility. That commercial really stoked the ire of Sony executives, and, admits Isaacson, even "shocked" many JVC executives in Japan.


Fast Forward
Total Camcorder Factory Sales to Dealers

Source: Electronic Industries Association

"Our goal wasn't to slam dunk Sony," says Isaacson. "It was to make the consumer realize that not all camcorders are the same, and that there's a viable alternative that does work with their home units." Sony retaliated during the Christmas season with a 30-second spot depicting a lawyer with tie-loosened playing down the VHS format and winning the applause of a jury. When JVC complained, NBC forced Sony to modify its claims that 8mm cassettes are better protected.

"We needed a dramatic way to depict our products' differences and 8mm's superiority," says a Sony spokesman. If anything, though, Sony and JVC executives think their airtime shoving match led more consumers into the stores and secured a few million dollars in extra sales for the camcorder segment.

As Dean Witter's Glazer notes, "the quality of all the products is so good" that it's hard for consumers to differentiate between camcorder models. So "people walk in and buy what they can get their hands on," reports one Manhattan buyer. To be sure, JVC's distinctive burgundy GR-C7 did fine in the quick-sell arena of the stores. "JVC has no problems moving the GR-C7," reports the buyer. "Their role in the VHS business gave them a good name consumers respond to, and the name of the game is to keep stores supplied with product and accessories."

This could have been a sticking point for JVC. "In the past, JVC has been really poor at accessorizing their products," notes Mary Ely, video buyer at California's Home Express. "It's always been, 'You can have the hardware but you need this one part to operate it, and the part is on back order.' This time they brilliantly put everything into one case."

One of the things that editors and analysts alike acknowledge is the way VHS-C players have held their price points. "Price isn't the big consideration in camcorders as a whole," says Craig Thompson, a video buyer for the Chicago-based Video King chain. "If he's properly shown the product, the consumer will go for the best type of product there is. Once he's decided to spend $1,000, it's easy to spend another $200." And Best Buys' Ely says the GR-C7 has maintained its profitability better than other format models.

While experts still think 8mm provides a better picture, they see trouble for the format in the venerable growing ranks of VHS-C competitors. RCA, for one, has announced plans for a VHS-C entry and expects to have 25% of the VHS-C market by year-end. *Video*'s Rosenfeld thinks that just convincing RCA to market VHS-C players was a "major coup" for JVC, since RCA's tv spending will hype the format.

But while Isaacson left the winter CES convinced that VHS-C would become the dominant format, *TV Digest*'s Lachenbruch cautions, "You can expect Sony to pull out all the stops." And Rosenfeld gives all 8mm marketers "a lot to gain. As more people go into the market to buy," he says, "they'll look harder and harder at what gives them the best picture quality." And now Samsung, a price-basement brand, is set to introduce an even more compact 4mm model at the winter 1988 CES.

JVC should stand stronger against the competition, both from within and outside the VHS-C category. There's no question in analysts' minds that the JVC's GR-C7 marketing effort has dramatically strengthened JVC's brand name, and JVC has already begun to build on that recognition.

Due out this spring is the GR-C9, an $1,150 point-and-shoot camcorder with only one button (on/off) and half the weight of the GR-C7. Since its size and simplicity widen its potential market, SSC&B is considering a host of women's books.

To keep climbing, though, industry onlookers think JVC may have to change its whole ad approach. Lachenbruch, for one, feels that "when it was JVC vs. Sony and other fringe companies, JVC could aim against the format." But with an onslaught of big competitors, he thinks "the strategy has to change. Now they have to sell on their own brand name." ■

POINT/COUNTERPOINT/

NATIONAL TV GOES FOURTH

MURDOCH'S FOXY PLAN

Efforts in the past to develop a fourth network have never been realized because no one has made a serious commitment to this intimidating project. In spite of all the rhetoric, no one until Rupert Murdoch has even taken the first step — publicly proclaiming his fourth-network plans.

There is little doubt in my mind that Murdoch will follow through with his intentions, and there are several solid reasons why he should succeed:

1. Murdoch's company, Newscorp Limited, controls assets in excess of $4 billion. He anticipates that the Fox Broadcasting Co. will lose over $100 million in its first three years of operation. Mr. Murdoch is wisely taking the long-term approach and is willing to accept substantial losses.

2. Murdoch now owns seven tv stations that clear more than 23% of U.S. tv homes. He has signed up additional independents covering more than 80% of U.S. tv homes. Although many of those stations provide only weak UHF signals, his long-term approach offers attractive compensation packages including cash and inventory.

3. He has hired some of the most respected talent in the entertainment business in forming Fox. Key players include Barry Diller, former chairman of Paramount Pictures, and Jamie Kellner, former president of the Orion Entertainment Group. Through Diller, Kellner and their staffs, agreements have been reached with many of Hollywood's top tv producers.

4. In spite of the lackluster growth of the network tv marketplace over the past 30 months, it appears that the scatter market demand is reaching frenzied proportions just as FBC is set to debut their first prime time programs.

Murdoch and FBC have the funds, the distribution system and the top creative personnel to develop quality programing in a favorable receptive marketplace.

The debate is not whether FBC will survive, or whether it is beneficial to the advertising community. The answer to both these questions is a qualified "yes." The key issue is how much of a role will FBC play in future media and marketing plans.

When the fourth network dream was originally conceived, there were no other tv outlets/alternatives for national advertising dollars beyond the Big Three. Now we can employ cable, syndication and, to a lesser degree, pay-per-view, DBS and other new-tech options. All of these have carved out their niche at the expense of the Big Three. Cable and syndication in particular continue to grow and prosper.

I believe FBC will become a major player in the national tv marketplace much faster than most people anticipate and to a much greater degree than their primary competitors will be prepared to deal with. The time frame for this may be as early as two years. Syndication and cable, for all their benefits, have limitations that will prevent them from claiming (in combination) more than 20% of most national advertisers' budgets. In most cases that figure is closer to 12%, and there are still some major national advertisers who do not include either syndication or cable in their media mixes. Cable clears about one-half the U.S. tv homes, but most cable networks cannot deliver a 2 national rating with more than a few of their shows.

Syndication can clear most of the U.S. and deliver medium-sized audiences at attractive prices. However, there are verification problems and the entire syndication buying process from analysis to reconciliation of payments is cumbersome. Only a handful of programs offer attractive, unique audience profiles, and the lack of date/time national clearance inhibits merchandising of advertiser schedules.

FBC doesn't need to deliver double-digit ratings to be a success. If, as they claim, FBC delivers a youth-skewing, quality, first-run product, then a 5-6 rating will gain the attention of many national advertisers.

In the broader picture, and this may be a hope/wish, the fourth network could absorb enough national tv dollars to prevent substantial reinflation in the cost of tv time. If the tv industry can avoid hefty inflation rates, then perhaps some of the dollars being funneled into promotion will be re-directed into media.

Stephen Grubbs is senior vice president, director of national tv buying, for BBDO/NY.

OUR READERS TELL US . . .

Two thirds of our agency reader sample, polled by Research USA, Chicago, believe a fourth tv network is a workable idea. Most would, in fact, welcome it. But this same sample feels Fox is far from filling the gap. (Base = 103.)

1.) Do you believe a fourth tv network is a viable idea?

Yes	67.9%
No	31.1%
No answer	1.0%
	100.0%

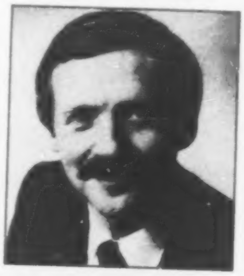
FBC: ONE AMONG MANY

1987 brings another entrant into the growing field of competitors vying for audiences and advertising dollars. Fox Broadcasting promises an array of first-run, conventional network-quality programs delivered to stations on a live feed for day and date airing.

The arrival of this "fourth network" is being trumpeted as providing an equivalent alternative to ABC, CBS and NBC. But I'm not so sure that we don't already have a variety of "fourth networks" in place doing the job for viewers and marketers alike.

A decade ago, television time options were indeed limited. Other than the national spot television market, choices were simply not there. Most studies and analyses of that inflationary situation usually focus on the demand side: new product growth, expanding economy, marketing "wars," etc. Were there to have been viable alternatives on the supply side in *national* television, the story might have been much different.

A new term — *national broadcast* — is a genuine "new product" of the 1980's. Who can say if these changes would have come about and these supply routes opened if national advertisers had not been at the mercy of the three conventional networks? In the past half dozen years or so, national cable networks and national syndication have developed significantly. Depending on who's doing the counting, those two television arenas may be accounting for 10-to-15% of the ad sales revenue in what we call *national broadcast* today. What came about was really a fourth network — a veritable raft of opportunities to reach a customer who watches programs, not channels.



The 1980's national broadcast negotiators are, by necessity, a different breed than their predecessors. The vast array of choices from which to shape the television buy has made these specialists an even greater part of the advertising task force. Through them, daypart definitions have been expanded and rigid purchased guidelines relaxed. The realization is that following the viewer is the sensible strategy, not placing commercials on a preselected list of specific suppliers. With the liberalization comes a greater reliance on buying decisions that mix common sense, strategic insights, facts and room for the "judgment call."

Let anyone with the resources, reach and programs get into the national broadcast field. Their efforts are welcomed. However, I for one can't get overly excited about the arrival of Fox's "fourth network." I thought we had more than we could count already — and I'm glad we do.

Wes Dubin is senior vice president and broadcast director of network tv and radio at DDB Needham/Chicago.

2.) Would you recommend a fourth network to your advertisers?

Yes	65.1%
No	32.0%
No answer	2.9%
	100.0%

3.) Would the creation of a fourth network result in better programing for all networks, i.e., competition?

Yes	57.3%
No	40.8%
No answer	1.9%
	100.0%

4.) Would a fourth network help keep network prices down?

Yes	66.1%
No	32.0%
No answer	1.9%
	100.0%

5.) Do you consider Fox Broadcasting a fourth network or a syndicator?

Fourth network	7.8%
Syndicator	89.3%
No answer	2.9%
	100.0%

6.) Have you spent money on Fox?

Yes	36.9%
No	63.1%
	100.0%

7.) What type of programing do you believe Fox should add?

Movies	63.1%
Mini-series	56.3%
Sports	53.4%
Sitcoms	48.5%
News	41.7%
Soap operas	21.4%
Other	14.6%
No answer	5.8%

8.) How well do you believe advertisers will support Fox in its efforts to expand beyond late night into weekend prime time?

Strongly	7.8%
Moderately	52.5%
Weakly	32.0%
Hardly at all	5.8%
No answer	1.9%
	100.0%

SALES PROMOTION

by Russ Bowman

RESEARCH & ANALYSIS: THE MISSING LINK?

"There never seems to be enough money for research!" That common complaint throughout marketing for many years still seems to be true in many cases for sales promotion. In a presentation at one of the Promotion Marketing Association of America's (PMAA) annual "Update" conferences, Bob Wehling, manager of general advertising at Procter & Gamble, talked about the lack of attention to promotion analysis. "Frankly," he stated, "my guess is that a minority of promotions . . . were thoroughly analyzed afterward for effectiveness."

In my book *Profit on the Dotted Line* (Commerce Communications/Chicago), I conducted a bit of analysis of my own on this issue. Much of the problem seems to come from a somewhat justified envy by promotional people of the megabucks spent on advertising research over the years. This was documented by a survey of research practices conducted by the University of Georgia Center for Marketing Studies in 1985. Results showed advertising research getting about 17% of research expenditures and promotion only about 3%, although some promotional data is probably categorized with product and in-market research. (See chart.)

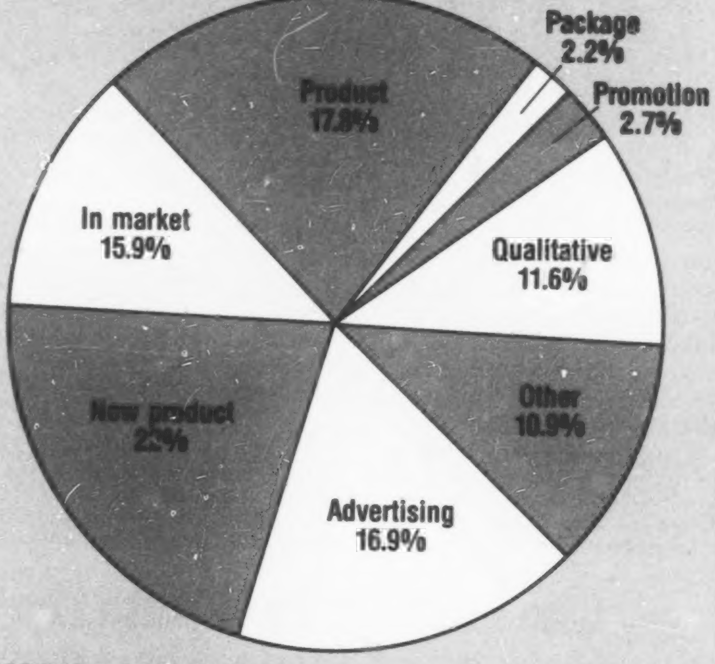
More effective promotion will depend on closer attention to data.

One of the major distinctions between research for these two related marketing partners is that most advertising research is *prior* to the actual consumer exposure, while most promotion research seems to occur *after the fact*. Historically, for the most part this made sense: With high advertising costs for a new campaign or tv commercial, clients wanted to know they were taking their best shot. As for promotion, generally the research went to see what happened for the big coupon event or sampling.

However, promotional research has come a long, long way, especially since the advent of the UPC code and scanner data. Now that scanner data has become a way of life in marketing and retailing, there is very little that can't be studied and tested quickly and with a high degree of accuracy, and there is an abundant source of research services for scanner data.

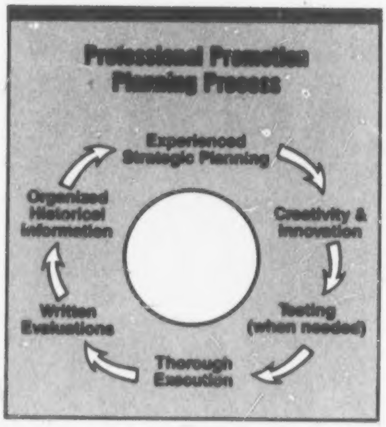
Make testing a way of life: In the long run, promotion plans and decisions can be improved only if the experience and data available can be improved and available sooner. This means a company, or in fact any major brand that relies heavily on promotion, needs to continue testing to improve its data bank. For example, the old face-value test conducted for brand X in its introductory year (a 10¢ vs. a 15¢ coupon) can't be reliable forever. So each time the brand runs a national coupon, a new updated face-value test can be conducted at very little additional cost (15¢ vs. 25¢ vs. 30¢ coupons). The next time a brand runs a $2.00 cash

Market Research Expenditures By Purpose (1985)



SOURCE: University of Georgia, Center for Marketing Studies refund/rebate, break out two or three smaller markets and test a $3.00 refund/rebate for additional proofs of purchase. The point is, if you keep testing variables, you may eliminate a lot of last-minute guesswork.

Build on historical experience: If a brand/company doesn't keep up with thorough written evaluations, it will be hard to have a valuable bank of organized historical information and, without organized data on what went wrong (or right) in the past, planning and development will continue to be too much guesswork and unnecessary risk taking. Good evaluations are like building a house — with a poor foundation, you're sunk — and the "foundation" in promotion evaluations is a set of predetermined, *measurable* goals and a plan for how to measure them.


Professional Promotion Planning Process
Experienced Strategic Planning
Creativity & Innovation
Testing (when needed)
Thorough Execution
Written Evaluations
Organized Historical Information

Summary and predictions: Clearly the state of promotion research and the techniques available has improved, especially in the last five years, and now there are many indications for an even brighter future. All the major research companies are spending more time and experimental funds on better data collection and more concise summaries.

According to Gail Parker, vice president at Gundersen Partners, more executive searches for researchers are specifying background in promotion and sales tracking analysis. Concurrently at least the larger sales promotion agencies are developing bigger and better research departments. Bud Frankel's company has hired Don Packard, formerly vice president, associate research director at Leo Burnett, to head his research department, and Einson Freeman's Marketing Metrics division has expanded its services.

Meanwhile, in the academic arena, Don Schultz, professor of marketing at Northwestern University, is heading a new PMAA research committee to encourage better exchange of industry information and hopefully bring more attention to the subject while America's future marketing managers are still on campus.

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ECONOMIC EYE

CONSUMERS' COOLING CONFIDENCE

The Conference Board reports that the Consumer Confidence Index (CCI, 1985 = 100) stood at 85.6 for January 1987, an eight-point decline from December. Less than 16% of the 5,000 households polled expect business conditions to improve in the next six months.

MAGAZINE AD SCOREBOARD	Pages Jan. 1987	% change from Jan. 1986	Dollars spent (000)	% change from Jan. 1986
1. Skin care, Creams, Lotions and Oils	174.87	+79.26%	$ 6,213.3	+35.90%
2. Lip and Eye Beauty Products	38.34	−26.93	1,053.3	−40.32
3. Scents and Fragrances	29.33	−20.56	1,076.3	+41.54
4. Facial Makeup Products	51.87	+56.64	2,019.0	+81.44
5. Prepared Dinners and Entrees (including Pizza)	42.51	+42.27	2,368.4	+72.21
6. Liquor	144.31	−23.01	5,447.0	−23.58
7. Cigarettes	432.69	−26.62	21,870.2	−22.79
8. Soaps and Detergents	24.58	−37.79	1,668.1	−37.43
9. Passenger Cars, Domestic	285.30	−40.45	13,078.6	−38.08
10. Passenger Cars, Imported	327.51	+27.97	18,289.8	+42.48

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

Medium	Feb.	% change	Mar.	% change	Apr.	% change	May	% change	June	% change	July	% change	Aug.	% change	Sept.	% change	Oct.	% change	Nov.	% change
Network TV																				
Daytime	181	−5	182	−4	200	−0	219	−0	204	−0	209	+2	207	−0	198	+2	174	+3	186	−2
Nighttime	215	−2	214	+4	231	−8	257	+3	225	+9	243	+7	225	+8	222	+7	215	+4	202	+7
Spot TV (1984=100)																				
Prime time	104	+19	125	+16	123	+16	123	+20	122	+20	128	+26	106	+21	111	+5	–	–	–	–
Daytime	109	+9	110	+9	107	+5	108	+9	111	+5	114	−5	100	+9	100	−2	–	–	–	–
Network radio (1985=100)	116	+16	113	+13	112	+12	113	+13	114	+14	104	+4	105	+5	104	+4	115	+15	106	+6
Spot radio	248	+0					250	−5					250	−2					N/C	
Consumer magazines	207	+6	207	+6	207	+6	207	+6	207	+6	207	+5	207	+5	208	+6	209	+7	209	+6
Natl. Sunday mags	226	−7	225	−7	225	−7	224	−7	232	−4	232	−4	232*	+5	229	+5	232	−6	231	−6
Business publications	190†	+7	190†	+7	190	+7	190	+7	190	+7	190	+7	190	+7	191	+6	192	+6	192	+6
Daily newspapers (1980=100)	155†	+8	156	+8	156	+8	156	+8	156	+8	158	+8	159	+8	160	+8	161	+8	162	+9
Outdoor	227	+5	231	+7	231	+7	231	+7	231	+7	231	+7	231	+7	236	+11	225	+6	225	+6

Notes: Percentage shown is relative change from the same month/period the year before. *Family Weekly changed to *USA Weekend*.
†Revised from earlier presentation—Business publications from 189 to 190; newspapers from 158 to 155. 1977=100 except where noted.

Sources:
Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.
Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.
Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.
Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.
National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national editions.
Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.
Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.
Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.
Business Publications estimate based on reported SRDS cost of a page, four-color in 46 publications representing 42 business and professional classifications.

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MARKETING & MEDIA
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CHIPPED

As Frito-Lay, Inc. has found out, a new product binge can be bad for a marketer's health. One too many entries has given the salty-snack powerhouse indigestion.

TV: NETWORK AFFILIATE FALLOUT

MAGAZINES: THE PARENT RAP

AGENCIES: MEDIA'S CREATIVE EDGE

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BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

COVER STORY

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For years, Frito-Lay could do no wrong. Then in a frenzied new-product effort last year, motivated by stringent financial goals, the PepsiCo subsidiary broke many of the rules of classical marketing. From in-depth interviews with competitors, marketing consultants, package designers and former employees, the conclusion emerges that Frito-Lay simply bit off more than it could chew.

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Apparently the folks at A.C. Nielsen don't trust those people-meter button pushers either.

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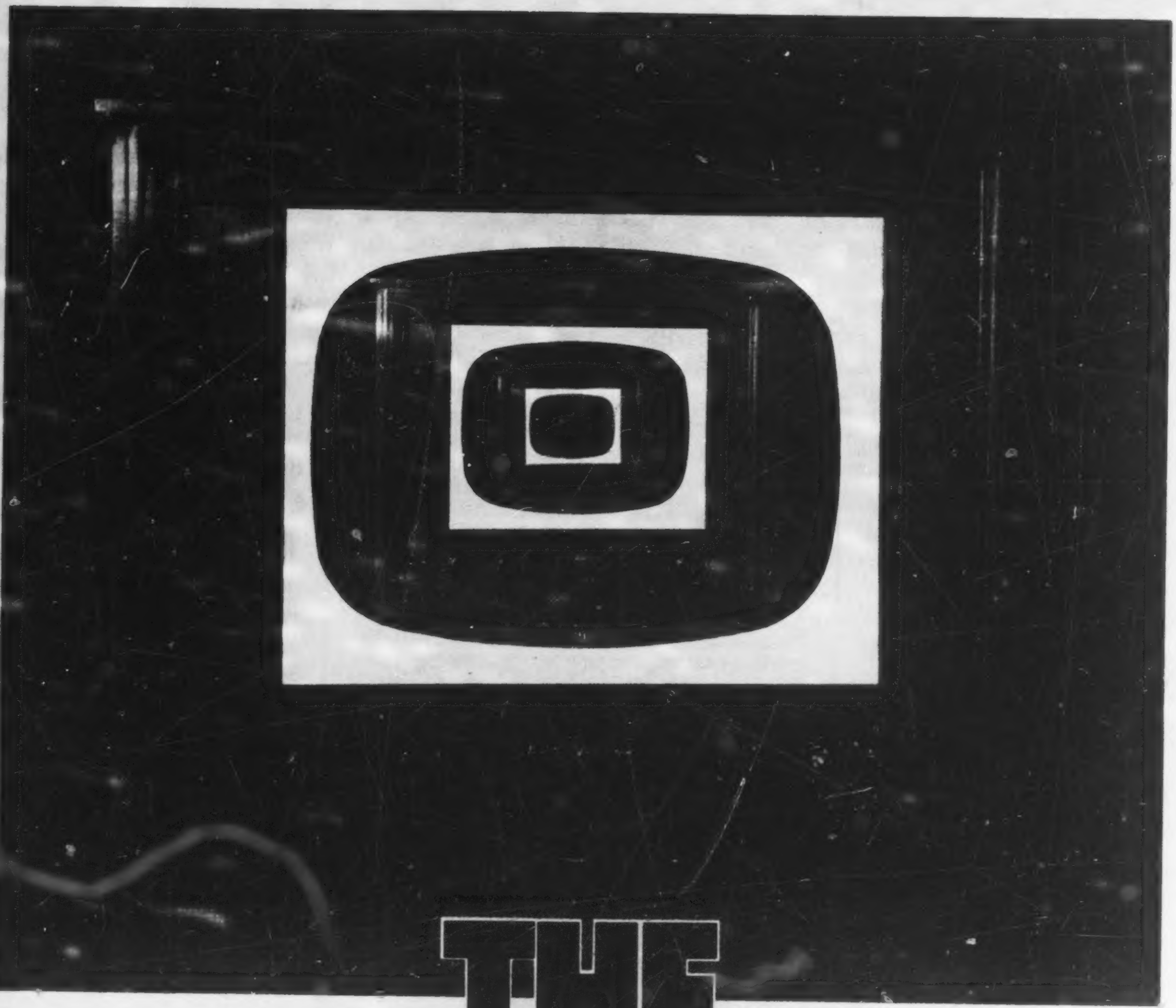


BETTMANN ARCHIVE

THE SHRINKING NET

The marriage between the tv networks and their affiliates is showing signs of strain.

by Marianne Paskowski

Is the balance of power shifting away from the three television networks to the local affiliate stations? That's the question winding its way around station managers, syndicators, advertisers, agency media buyers and the Wall Street community.

What has prompted the whispering is the growing number of affiliate stations that are preempting network programing — the bedrock of the system — and airing locally produced or syndicated fare instead. "There is no question that the networks' hold over the affiliates is weakening, and that clearance problems will grow worse," predicts Dennis McAlpine, broadcast analyst at Oppenheimer & Co.

The networks are worried as well. They have seen their advertising revenues nosedive and their programing costs soar during the past few years. Clearly, they do not need the added headache of the lower ratings that result when stations cherrypick only the best shows from the network lineup. "The only thing stations gain with preemptions is money, and they sure don't help their networks," attests Tony Cervini, NBC's vice president of affiliate relations.

The situation is somewhat of a turnaround because for most of modern television's existence the networks — or rather the New York headquarters organizations — have firmly held the reins of power. Indeed, the network concept was, and has been, that a main organization would be responsible for buying and scheduling programing, ad time and rates and that affiliated stations would carry the shows for a fee. In addition to this kind of compensation, affiliates would receive a set upon number of ad minutes to sell for themselves. Though this split of responsibilities was supposed to bind each to the other in a mutually beneficial relationship, the greater leverage always has rested with the headquarters office.

But this scenario is changing and more affiliates than ever before are pecking at the network nest. The trend by advertisers, for instance, toward regional marketing has emboldened affiliates to buy or produce more syndicated or local shows where they have more minutes to sell than allowed in network-backed programing. As a result, affiliate revenues soared last year, while the coffers at the three nets frayed thin. In 1986, local advertising jumped by 14%, while the three networks had to settle for a skimpy 3.4% rise.

Those numbers are likely to continue in local stations' favor in 1987, predict analysts and media directors. They feel that more ad dollars will find their way into sales promotion, barter syndication and cable, rather than going to traditional national network spending.

Furthermore, people-meter audience measurements, on which upfront price negotiations for the 1987-88 tv season will be based, show about a 10% decline in network prime time audiences and nearly a 20% decline in daytime audiences. This could further negatively impact network revenues if agencies can negotiate discounts.

Also chipping away at the network operational and financial base is the continuing decline in viewership. The three network's share was 95% in 1975, and has slipped to the low seventies. Picking up the slack have been independent tv, cable tv, home video and syndication shares which have all shown increases.

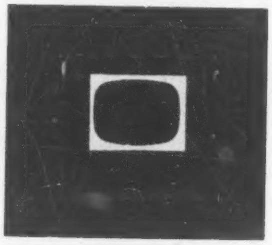
Responding to the new environment (and new owners-CEO's), the networks have been busy streamlining their own infrastructures. And in actions many say are penny wise and pound foolish, the networks have also been swinging the axe at affiliate budgets. One area the networks have been trying to cut back on is affiliate compensation. But sources say even if the networks cut out these payments altogether — which is not under consideration — the savings would only amount to $150 million annually.

The 10 Lowest Clearing Network TV Shows

Nightwatch* (CBS)	59%
Double Talk (ABC)	70%
Super Password (NBC)	72%
Rock and Wrestling (CBS)	72%
Search for Tomorrow (NBC)	73%
The Littles (ABC)	74%
Kid Video (NBC)	75%
Fame, Fortune & Romance (ABC)	78%
CBS News Breaks (CBS)	78%
Sale of the Century (NBC)	83%

Source: M&MD, DFS Dorland and Fall 1986 Nielsen Household Tracking Report

*The show clears 50% at 2:00 A.M. to 2:30 A.M. and 67% from 2:30 A.M. to 3:00 A.M.



In January, CapCities/ABC Television, which has been at the forefront of cutting affiliate compensation over the years, reduced the ante by another 9% for affiliates in the top 100 markets on sports and other special programing. For instance, none of the ABC affiliates got a dime in compensation on the recent 14-and-a-half-hour miniseries *Amerika*.

"We were losing millions of dollars on *Amerika*," explains George Newi, Capital Cities/ABC's senior vice president of affiliate relations. "For years business was good and the networks could afford to pay the stations to carry their programing. While compensation is too deeply imbedded to go away, the fact of the matter is there can be a reduction," Newi maintains.

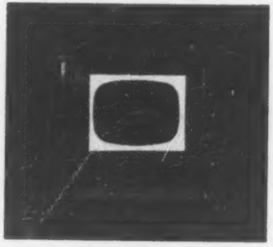
At NBC, the compensation jiggering is more complicated. While the network actually gave its affiliates an across-the-board 3% increase in compensation, sources suggest that stations in larger markets, once all the terms of the new plan are realized, will be lucky to come out even.

CBS abandoned a proposed payment plan that would award affiliates fewer dollars for higher-rated shows like prime time fare and more cash for programs they were least likely to carry, such as the morning shows. Instead, the network decided to increase its prime time commercial inventory.

Because of those steps taken, or about to be taken, by the networks, many industry observers predict affiliates, eager to make a local sale, will increasingly preempt the network lineup. "If the networks attempt to balance their books on the backs of affiliates, they will unleash a powerful force," predicts one major market affiliate. "Preemptions will go up as affiliates grab every time period they can. The networks have taken the romance out of this marriage, telling us it's every man for himself," he states.

Syndicators, who have felt a slowdown in their own sales, will be more than willing to accommodate the affiliates. "If there is a time period occupied by a network program with low ratings, we will suggest that the station

> “The only thing stations gain with preemptions is money.”
>
> ***Tony Cervini***
> ***Vice president, affiliate relations, NBC***



might want to think about preempting, although we usually look at non-network areas first," tactfully explains Moira Dunlevy, vice president of research at King World Productions, syndicators of *Wheel of Fortune, Jeopardy* and *The Oprah Winfrey Show*.

"Stations are playing hardball, and the networks are in a much more competitive situation these days," Dunlevy continues. "The networks will buckle under to please the stations. They need those clearances," she warns.

Network clearances are beginning to worry the ad community too. At the generally staid television day held by the Association of National Advertisers, speaker Avrum Geller, Block Drug's director of marketing services, direly forewarned that there may even be more affiliate preemptions as stations grapple with the new compensation terms.

Other advertisers like Bob Bolte, vice president of media at Clorox Co., predict a snowball effect. "When network coverage levels fall, it strengthens syndication. Stations see how well *The Oprah Winfrey Show, Donahue* and *Divorce Court* are doing, and say, well why not," Bolte adds.

Is there truly cause for alarm? Maybe. Historically, preemptions have always been a sore point in the network/station marriage. Contractually, affiliates do not have to carry the network programs. The contract offers the affiliates the right of first refusal on programing. If stations carry the programs, they get compensated.

Seasonal OTO's (one time only) preemptions for local sports coverage were and are commonplace. And daytime and late night network programing *never* had full carriage to begin with.

NBC, for example, has "always been deficient in the 12:00-12:30 p.m. time period," points out Cervini. And when NBC was in third place just a few years ago, prime time preemptions were commonplace as well. "But we continue to make programing changes and improve clearances," he adds. For example, NBC recently dumped its long-running soap, *Search for Tomorrow*, which was only clearing 73% of the network, and replaced it with *Word Play*, which is doing somewhat better.

Likewise, at the other two networks, attempts to improve clearances are top priority. At ABC, the network has tried 11 different programs in its 11:00 a.m. time period over the past three years. This June, ABC will try program number 12, *Who's the Boss* reruns.

While the clearance problems have always been there, they may be getting a little worse. OTO's seem to be on the rise, even in prime time. Within the past year, some 70 affiliates preempted network schedules for Tribune Entertainment's Geraldo Rivera specials.

According to an analysis of the fall 1986 versus fall 1985 tv season prepared by Betsy Frank, DFS Dorland's senior vice president and associate media research director, daytime clearances are dropping further.

"There is a significant decline in coverage on ABC between 11:00 a.m. and 1:00 p.m.," she finds. "In that two-hour block the coverage has gone from 87% last fall, to 81% this fall," Frank points out. Even ABC's strongholds — the soaps — are suffering some preemption woes. *Ryan's Hope* went from 90% coverage to 85%, while *Loving* dropped from 94% to 91% in the past year.

Frank notes that stations are preempting the network run for strong syndicated shows like the courtroom programs and the high-rated *Oprah Winfrey Show*. In daytime, some of the lowest clearing programs included ABC's *Doubletalk* (70%); *Fame, Fortune and Romance* (78%); as well as NBC's *Super Password* (72%). (See chart, page 38.)

In Frank's comparison, there were no significant drops in clearances for prime time, except for slight decreases in coverage on ABC's Friday and Saturday prime time schedules and CBS' Tuesday 9:00 p.m.-to-11:00 p.m. time period. "But affiliates are less likely to preempt in the fall because programing is still new and events like the World Series and football create some atypical situations," she advises. "So outside of fall, there may be even more preemptions," she believes.

Late night is another area of difficulty for the networks. According to Frank's study, CBS' *Nightwatch*, which goes on at 2:00 a.m., was down to a 50% clearance for the first half-hour and a 57% clearance for the second half-hour. And ABC, which never could succeed in clearing programs after *Nightline with Ted Koppel* at 11:30 p.m., eventually gave the time back to the affiliates this year.

In terms of Saturday morning network shows, CBS was slightly down. And at 12:30 p.m, all three of the networks showed heavy preemptions, with ABC's *The Littles* posting a 74% clearance, CBS' *Rock and Wrestling* (72%) and NBC's *Kidvideo* (75%).

The low daytime clearances are likely to become a sore point for buyers to niggle over come spring when negotiations for upfront buying commence. Richard Kostyra, J. Walter Thompson USA's senior vice president and director of media services, says, "Already, the people meter shows the daypart is down 20% in audience, compared with the diary. Daytime is already the softest of the dayparts with its heavy commercial loads. You may see advertisers walking away in hordes," he predicts. "Afterall, if we won't buy syndication below 70% clearance, we expect a network show to be well above that," Kostyra concludes.

At SSC&B, Gary Carr, senior vice president of broadcast, has noticed problems with preemptions as well. "With daytime, there have been selected shows that we won't even buy upfront because of clearance. We buy syndication instead," he tells.

Why do stations preempt and risk weakening the network base, and perhaps ultimately endangering their own success as well? Whether it's shortsighted on their part or not, affiliates generally preempt to expand their own local commercial inventories.

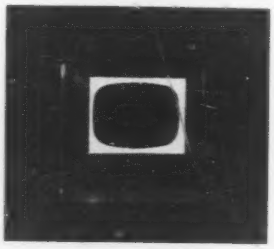
"A station may not have enough inventory during the week to satisfy the demand in the marketplace," explains Phil Jones, vice president and general manager of KCTC-TV, the CBS affiliate in Kansas City. Jones also serves as this year's chairman of the CBS affiliates' advisory board.

"It's not normally done because of displeasure with the network programing; it's generally more bottom line driven," he adds. At his own station, Jones has preempted CBS' morning game show, *Press Your Luck*, with a number of syndicated shows, including *True Confessions*. "I haven't put in anything that's worked yet," he admits, but at least, he notes, he's had the spots to sell. "We do it with daytime," Jones continues, "because we feel there is not as much at stake for the network. We feel a little more obligated in prime time," he adds.

But over at ABC, where preemptions are up in daytime and in Friday and Saturday prime time, the attitude is a little different. "Preemptions are definitely up," admits Mickey Hooten, vice president and general manager of Hearst Corporation's television division, which operates five ABC affiliate stations and one CBS affiliate. "We have some very bad problems with late morning, and stations think they can program it better," Hooten notes.

Hooten, who also serves as this year's chairman of the Capital Cities/ABC Television affiliate board, is clearly worried about the problem. At a recent affiliates' meeting he implored station managers to take the long view on preemptions and warned the network to provide better programing.

Beyond supplying better programing, which is not a quick solution to fixing clearance problems, what really can be done? All three networks have toyed with the idea of a weighted compensation system, providing affiliates with a monetary incentive to carry lower-rated shows. But the idea did not go over with ABC or NBC. "We looked at it," admits ABC's Newi, "but it's just shifting dollars around. That wasn't what we had in mind. We had to reduce compensation," he adds.



"Outside of fall, there may be even more preemptions."

Betsy Frank
Associate media research director, DFS Dorland

Another solution, sources suggest, would be to give the affiliates a larger chunk of the day to program and sell themselves. All three networks did just that with the 4:00 p.m. time period after they encountered clearances in the 50%-to-60% range. Some affiliates, in fact, like to brag they "grabbed back" the period from the networks.

But again, sources suggest, this is not a viable solution. "I'm not so sure the affiliates want it that badly," says ABC's Newi, "and secondly, the likelihood that the network would willingly give up periods like daytime frankly does not exist. We need the revenue in daytime. That is the cash cow of our network. Even with the low audiences that we're getting in the 11:00 a.m.-to-12:00 p.m. period now, we're still making money," Newi points out.

NBC's Cervini sees the solution as affiliate cooperation. And maybe that's what it takes, considering how NBC turned itself around in three short years to become the number-one network. "When we had our turn in the barrel, we persuaded the affiliates as best we could that we were trying to turn the corner, particularly with programs like *Cheers* and *Hill Street Blues*," Cervini explains. "We kept telling them that these programs would be more successful if more stations carried them. Eventually, the stations became part of the solution, as opposed to becoming part of the problem," Cervini sums up.

Whether affiliate patience is the answer remains to be seen. Stations, which have now gotten a taste of the high demand for local ad time and what that does for their own bottom lines, may not be so inclined to patience. "And stations now have programs available that simply weren't there five years ago," points out Oppenheimer's Dennis McAlpine. "The pure availability of programing is what will make the difference this go round." ■

PARENTAL DISCRETION ADVISED

The trend toward older, dual-income parents has given birth to a trio of new parenting magazines. But are there enough big-budget advertisers to pay their way?

by Fred Pfaff

Parenthood. Whatever the opinion, it's one hot topic on Madison Avenue these days. Sixty-one-year-old *Parents* is on a roll, to say the least. *Working Mother* has parlayed its niche positioning into an all-time ad page high. And betting on the current targeting trend, three very different paid circulation start-ups staked out selected parent segments in 1986, including San Francisco-based *Parenting*, which drew in Time Inc. last summer as a $5 million, 49% backer.

The development on the national front has encouraged other offspring. A network of regional parenting publications, National Parenting Publications Network, has begun its rounds on Madison Avenue, while Meredith Corp.'s 1986 *Grandparents* start-up is persuading advertisers to extend the parenting angle. Another group of entreprenuers plans to launch a bimonthly for fathers early in 1988. The mostly controlled-circulation baby books, related vehicles that snuggle into their own category, are booming. And the Seven Sisters are angling to shore up their parental pitches.

PARENTING
Power Dining
CHILDREN
child
SCHOOL TESTING
Fat or Fantasy?
Do Kids Need Pets?

Holding center stage, however, are the national newborns. In nine months, *Parenting*, Taxi Publishing's *Child* and Rodale's *Children* have helped define a clear-cut market in what had been a specialty area in marketers' minds. For one thing, publishers reason, today's mothers are more anxious for resources in print because they lack the housewife networks their mothers once possessed. And "the repositioning of magazines like *Redbook* [whose percentage of parenting editorial has declined since 1980 — see chart, pg. 52] has left a void open for parenting magazines to fill," notes Philip R. Morris, publisher of *Hall's Magazine Report*, a service that keeps track of magazines' editorial content. "These books now are slicing an existing market with very good, carefully positioned editorial."

"It used to be, when you wanted to sell kids' stuff, the best magazines were the Seven Sisters," notes Alan Jurmain, senior vice president, group director of media planning and operations at SSC&B Inc. "These new books offer purer audiences; they could be wonderful for categories that need to reach a narrower pool of prospects."

"This broadens the opportunities for us," agrees Art Heller, executive vice president for media, programing and marketing services at Griffin Bacal, agency for Hasbro toys. "Each editorial product is a little different, so we can vary the editorial environment in which to fit specific brands."

But DDB/Needham senior vice president, director of media planning and operations Paul Zuckerman has seen category rushes run amok before, most notably among the science books, and he voices the concern of many, including Jurmain, that too much may be

Gruner & Jahr U.S. president Beni (left) and* Parents *publisher Hahn have reshaped the title.

RICHARD FLYNN

happening too fast. "The category is developing following the tremendous success of *Parents*," Zuckerman notes. "The way I see it, it's going to shake out just like science did. There's an opportunity for a second book, but the marketplace can't support four or five books, and I see no reason to walk away from *Parents*."

It's easy to follow the reasoning behind the new efforts, however. Americans are having more babies (3.7 million, 42% of them first timers, in 1986, a slight increase over 1985, according to Census Bureau projections), and the birth rate is expected to keep growing gradually until 1990. Then births will edge down from 3.85 million in 1990 to 3.63 million in 1995. (See sidebar, pg. 48.)

Publishers also point to the targeting impulse that is taking hold at a number of this country's mass marketers. "We're still going to use the mass vehicles," reasons Campbell Soup Co. director of media services George Mahrlig, whose company has made headlines of late by assigning marketing responsibility and $1 million ad budgets to 16 regional offices. "But we're trying to segment our print messages more and more."

While the strength of the category may lie in its special appeal to a targeted segment of the public, the leading title in the field has engineered

CINDY CHARLES

Wolaner's **Parenting** *concept for the educated mass market sold Time Inc.*

impressive growth by opening up its pages to more general service topics. Still, *Parents* from Gruner + Jahr, long alone in focusing on this market, welcomes the attention generated by its new competitors, and its recent successes have no doubt proven inspirational to the upstarts. It finished 1986 up 11.2% in ad pages (1,257) and 18.7% in revenues ($45.1 million, according to Publishers Information Bureau) and just closed its biggest March, April and May issues ever — about 15% ahead of its 1986 pace. In fact, the magazine has gained every year since Gruner + Jahr bought it in 1978. "*Parents* has done a great job of improving its graphic appeal over the last few years," says Heller. "They've made it a much more attractive, much more modern magazine."

Publisher John Hahn is the first to admit that what Gruner + Jahr bought in 1978 time was "dull, grey, badly designed, pedestrian, musty and not in tune with the times." Gruner + Jahr recreated the magazine in five months. Hahn and G + J president John J. Beni cut the rate base from 1.5 million to 1.4 million, put four-color on every page, committed to 100 pages an issue, eliminated article carryovers and launched the book's first direct-mail subscription campaign. Editors put one eye on mom as a woman, making a women's service book with a difference.

Since then, service editorial (particularly food and health articles) has been added, circulation has risen steadily to its current 1.7 million and ad pages have more than doubled. Food is the magazine's biggest ad category, accounting for some 25% of pages, while *Parents* also brings in the major beauty accounts, station wagons and minivans and even consumer electronics. The magazine now looks to build on its authority through single-sponsor magazines, an effort that began last year with the publication of six age-specific Pampers magazines for Procter & Gamble Co.

Parents has expanded beyond a baby-book image, but it still starts to draw readers during pregnancy. "A woman about to have a baby wants as much health information and guidance as she can get her hands on about what's going to happen to her," says John Beni. "For her, we're really the nice lady next door."

Fine, counters *Parenting* publisher Robin Wolaner — but *Parents*' audience isn't any more educated than the women's service readers. Monthly *Parenting* serves a slightly older, more affluent and more educated reader. According to surveys included in its fall direct-mail test, *Parenting* launched this past February with mostly women readers (93%) who are mainly college graduates (85%), average two children, and hold down professional or managerial positions (61%). Median age nears 33, while some 33% of readers' household incomes exceed $50,000. The magazine premiered with a 1.8 million print run, and is now positioning itself as "an add-on buy" to *Parents*.

To be sure, a somewhat literary editorial vision lies at the core of the *Parenting* concept, and editor Owen Edwards has included numerous recollection and confessional pieces to help bring it to life. The blend, says Wolaner, is "two thirds solid reporting and one third experiences, emotional support and just plain fun."

Advertisers are responding. With Time Inc. backing and the promotional blitz it affords, as well as launch discounts, the buy attracted the attention of such advertisers as Del Monte and Clairol. The book is now running 60% past the ad projections that Time Inc. once believed too bold, according to Wolaner. The razzle-dazzle that greeted *Parenting*'s birth included four-color trade and consumer print ads, direct mail and point-of-purchase newsstand support. Introductory discounts ranged from 15% for buying three of the first six issues (including the premiere) to 35% for buying six of the first 10 (including premiere).

"Having Time Inc. behind it lends *Parenting* credibility right out of the gate," says Jurmain. As a result, he notes, agencies are less likely to play a "wait-and-see" readers' response game with *Parenting* than they are with the new other magazines.

The boomlet has also heated up the parenting pitches elsewhere in Time's corridors. The 554,972-circulation *Working Mother*, now owned jointly by Time Inc. and entrepreneur Dale Lang (see "Pro Files," February 1987, pg. 12), tells its story right in the title. "The other magazines can't assume that all of their mothers are working,"

RICHARD FLYNN

Success with fashion advertisers has **Child's** *Sommers fighting a stereotype.*

points out newly promoted publisher and new mother Carol Evans. *Working Mother*'s editorial and marketing posture ("between *Savvy/Working Woman* and *Parents*," says Evans), coupled with a proven track record and high, dual-income households, has supported a CPM higher than its longstanding women's service competitors' rates.

True to its corporate character, the other name player entering the field is taking a quieter approach than Time Inc. Rodale Press traditionally test-launches spinoffs of its sports titles and *Prevention* franchise by putting out one-time or annual "specials." It came up with *Children* through a $10,000 companywide contest and launched it as a 200,000-circulation quarterly for parents who want their kids as fit as possible in every way. Rodale plans to take the magazine to monthly publication and close to 1 million circulation under publisher Kim A. Mac Leod.

"There was no magazine out there that offered 100% editorial on children, and none that approached it from a health and fitness standpoint," says Mac Leod. "We feel readers basically know how to be parents; they just don't know everything about their children. *Parents* and *Parenting* are about parenting; we're about children."

Children's editorial package actually stretches into food and nutrition and products and programs that help kids grow. If its articles aren't enough, *Children* hopes to build authority status by publishing white papers (analyses and calls for action) on such topics as the fitness of America's kids.

CHRISTIE C. TITO

Mac Leod's* Children, *only about kids, came out of a Rodale concept contest.

Over-the-counter drug, food and toy ads got a head start in *Children* because of its sister monthly *Prevention* and annual *Good Toys*. Now, enticing buyers for a wider range of products will be the job of a new trade and consumer print campaign and retail merchandising and sports sponsorship programs to be introduced this summer.

Just as targeted is *Child*, the monthly launched last fall by ritzy Taxi Publishing. At press time, editor and 10% owner Jacqueline Leo (publisher Mary Anne Sommers also owns 10%) firmly denied rumors that *Child* was up for sale, adding that "we still have a partnership with Taxi, and they are fully funding the project." According to Taxi executive vice president Amedeo Angiolillo, though, Sommers and Leo "are free to look around for other partners" and "the magazine is for sale if someone offers me a fair price."

Child's founders, former *Harper's Bazaar* and *Working Woman* ad director Sommers and ex-*Modern Bride* fashion/beauty editor Leo, shared a vision of a magazine for college-educated, $50,000-plus parents who marry later and have a particular point of view for their one or two children. *Child* unabashedly shuns the ABC's of parenting. "Our readers already have 10 books about children," says Sommers. "They want to read something different from the *Parents* kind of articles about what to do about a 101-degree fever."

Heavier coated stock and fashion spreads, coupled with Sommers' initial calls offering familiar fashion advertisers a retail rate ($5,250 for a four-color page), frequency discounts, eight-for-six and four-for-three charter page offers and a group discount with its grown-up sibling, *Taxi*, helped fill the book immediately with high-fash-

SOUNDING OUT THE BOOMLET

There's good news and there's bad news for publishers entering the parenting field. While Americans had more babies in 1986 than in the previous year (3.7 million, 42% of them first timers, according to Census Bureau projections) and the birth rate will grow until 1990, it will then change course. The 3.9 million-birth peak in 1990 will fall to 3.6 million by 1995. Still, there's enough good news to bank on for the near future.

More Americans are marrying in the 1980's than in any prior decade — over 2.4 million each of the last six years — and they're marrying later than ever. Median marriage ages, 25.5 for men and 23.3 for women in 1985, are at an all-time high.

More women over 30 are having children, and the percentage of total births represented by this group grew from 17.6% to 24% between 1970 and 1984. Also, more mothers are working, and returning to work after childbirth, than ever before. According to the 1986 Simmons Market Research Bureau market studies, 59.5% of mothers are working, versus 52.3% of all women and only 51.2% of all married women. In 1976, only 31% went back on the job within the first year after childbirth; in 1985, some 48% did. Among first-time mothers, the number was even higher: Some 57% went back to work within the first year.

And those dual-income couples with kids are making more than their childless counterparts. Median household income in 1984 for married U.S. couples with children was $31,005, while their counterparts' median was $28,235. The median household income declines as the number of children increases (from $32,124 for one child to $19,335 for six children), but families in general have fewer children. In 1984, only 3% of American families had four or more children, only 8% had three children, 20% had two children and 22% had one child.

ion ads. Ironically, on sales calls, Sommers now must fight one result: Agencies label *Child* a fashion book, a stamp that misses the magazine's reporting on such controversial areas as school admissions testing.

It'll be hard not to distinguish *Fathers* from the field if the magazine appears as planned in early 1988. Co-founders, Jeff Stein and Reed Phillips got Warner Publishing to put 25,000 copies of a pilot issue on Northeastern newsstands in April 1986. Pending funding for the magazine's first three years, Stein and Phillips plan to launch *Fathers* as a 250,000-circulation bimonthly.

Also promoting distinct features is

CASH IN THE CRIB

While publishers vie for pieces of the paid-circulation parents market, a number of specialty publishers are finding lucrative niches delivering babies. Largely controlled, with distribution in hospitals' new-baby product sample baskets, doctors offices and childcare and Lamaze centers, these books provide specialized editorial pointed at particular stages of the birth process.

Their ad rates (up to 10 times the typical parenting book's rates — see chart below) reflect their holds on segments of the market, but publishers feel their timing and specificity warrant the premium. "This is pure targeting," says David Gale, national advertising representative for *Baby Times*.

american baby

When the subject is the cradle, no one comes to planners' minds faster than *American Baby*. Begun as a controlled circulation magazine in 1936 and purchased in 1986 by Cahners Publishing, American Baby Inc. now encompasses a weekly half-hour cable show (*American Baby Show*), and a quarterly hour-long cable offering, *Journey Through the First Year of Life*, along with annual specialty titles for new mothers. The company also produced a video. The magazine alone ended 1986 with 506 ad pages and $11.6 million in ad revenues, reports national advertising director Joel Ehrlich — an increase of 40 pages (+8.6%) and over $2 million (+20.8%) over 1984.

Another magazine that can make that kind of claim is *Baby Talk*. With a 950,000 rate base, the book devotes each issue to a two-month growth period through the second birthday. Mothers pick up the magazine free of charge (distributors pay for the magazine) in hospitals, doctors offices, prenatal classes and such retail outlets as maternity shops. According to advertising director Barry Weinberg, *Baby Talk* is "the only major baby magazine with significant distribution in retail outlets."

These two stalwarts aren't at a loss for competitors. At each stage of childbearing, there's a magazine. The finely targeted books bank on active involvement with their audiences.

For instance, the publications of EDN Corp. (publisher of *Guide to Expectant Parents, Guide to Expectant Mother* and *Guide to Your Child's Development*) are but one piece of overall involvement packages — including newsletters, sample kits and more — that the company sells to advertisers. The *Guides* themselves are actually used as teaching manuals in pre-natal and infant care classes.

A long list of media choices is fine by Mark Rice, vice president and associate media director at Ogilvy & Mather, agency for Kimberly Clark's Huggies disposable diapers. He turns to the baby books as "a targeting opportunity" and uses "a third to half of them" to get specific with a plan that also includes *Parents*.

Title	Times/ year	Rate base (000)	Page cost B+W	Page cost 4-C
American Baby	12	1,000	25,750	35,633
Baby!	1	3,300	68,250	84,000
Baby Talk	12	950	17,845	24,080
Baby Times	6	900	29,615	38,500
Childbirth '87	1*	600	36,151	50,127
Expecting	4	1,200	20,365	*31,575
The First Year of Life	3	3,000	64,913	88,398
Guide for Expectant Parents**	1	1,350	-- 53,328 --	
Guide for Expectant Mother**	1	2,000	-- 90,000 --	
Guide to Your Child's Development**	1	1,300	-- 51,336 --	
Lamaze Parents	2	1,250	29,995	40,995
Mothers Today	6	904.5	16,645	22,675
Mothers Today Source Book	1	1,050	24,445	33,015
Redbook's Young Mother	3	3,900	23,880	31,005
Stork	8	50	1,125	1,500
Twins	6	26	1,200	1,760

Source: Standard Rate and Data Service; individual publishers.

*Minimum price of second, third or fourth cover

**Part of EDN Corp. package, with two printings a year

1.25-million circulation *Parent Guide*. Parent Guide Network Corp. publishes the book 10 times a year and wraps local editorial inserts in issues going to six major markets — a strategy that pulls in the likes of Beech Nut and Playskool toys.

These efforts are complimented on the local scene by the National Parenting Publications Network, a group organized by president Brian Schwab in 1985. It has begun wooing national dollars for 38 local and state parenting monthly tabloids and magazines. NPPN's members win local readers and retail and medical facility ads with more complete listings and in-depth features on local events for children than newspapers choose to offer. Schwab's positioning as "a unique opportunity to test and spot-market without paying a premium" has already attracted such national accounts as IBM and CBS/Fox Video.

"Sounds like a strong concept for reaching concerned parents, especially since one of the problems with regionals has been premiums," says Campbell's George Mahrlig. "But it's not certain how localized print advertising is going to get." As head media man for Hasbro, Griffin Bacal's Art Heller agrees: "Most, like us, do their parent targeting in national media. NPPN is only in certain markets."

That holds true to the axiom planners and publishers alike offer: the more specific the magazine, the less advertising appropriate for it. Campbell's has been running broad-based ads in *Working Mother*, along with *Parents*, to supplement its Seven Sisters schedules. "With the importance of children to the soup business, getting to target more finely in the parenting category is a good opportunity," says Mahrlig of the new books.

"But parenting is now a double-edged sword," he says. "The category gives us an opportunity and impetus to consider running ads aimed at women with children — something we haven't done a great deal of. But we may need a whole new copy platform for those new books. And the small segments they're covering are more attractive to marketers of premium-priced products who've always found the women's service books too mass."

SSC&B's Alan Jurmain agrees.

THE KIDS CLUB

Magazines With 2.5% or More Children Edit For Full Year 1986

	1986		1985		1980	
Title	**Pages**	**% total**	**Pages**	**% total**	**Pages**	**% total**
Parents	376.7	34.5	348.3	36.7	372.9	46.1
Working Mother	157.7	19.3	189.5	24.4	123.1*	29.5*
Family Circle	101.1	7.0	92.8	6.3	51.1	4.0
McCall's	62.9	6.5	69.2	7.2	42.8	3.9
Woman's Day	63.4	5.0	62.5	5.2	74.0	6.3
Ladies' Home Journal	49.2	4.6	39.8	3.5	41.3	4.6
Better Homes and Gardens	45.3	4.4	48.7	4.5	16.1	1.5
Health	21.0	4.0	10.4	2.0	**	**
American Health	21.7	3.4	11.0	1.8	**	**
Good Housekeeping	52.4	3.1	43.7	2.5	34.5	2.0
Redbook	33.7	2.9	62.3	5.3	88.2	8.0
Essence	21.5	2.7	23.8	3.0	**	**

Source: Hall's Magazine Report, "Children" category

*Total based on six issues

**Not reported in 1980

"When it comes to general products such as automobiles," he says, "parenting books are great vehicles for family-oriented station wagons and minivans. But for something less specifically family-oriented, such as shampoo, you have to ask whether you aren't better off with the broader appeal, reach and better efficiency of the women's service books."

Jurmain's qualification is a standard category distinction Del Monte, for one, refrains from making. According to Judith Poulson, media supervisor for Del Monte at agency McCann-Erickson/San Francisco, the brand has defined its own category of "young families." That category, which Poulson says gets about 10% of Del Monte's budget, currently includes *Parents*, *Working Mother*, *Parenting* and *Redbook*, a magazine whose reach among young families with kids under six years Poulson feels makes it "more appropriate to judge against the other parenting books than against *Woman's Day* or *Family Circle*."

The number of specialty titles doesn't bother Del Monte, either. "More and more of our whole magazine schedule is going into extending our coverage through vertical categories," Poulson says. "We think the growth is healthy competition that is evidence only of a viable marketplace."

Poulson's seems a minority opinion. While heady growth for Hasbro lets Griffin Bacal's Heller buy all but *Child* (unnecessarily upscale for Hasbro, he thinks), he adds, "there's really an overlap in the parenting magazines' targets. I think we'll see significant duplication for the primary target of women with children under five when the syndicated research on them is in. Their subject matter is pretty much the same."

As a result, media executives aren't so sure this isn't a fad. Rodale's *Children* publisher Mac Leod can't see the field growing beyond its current players; and while *Working Mother*'s Evans insists the parenting boom is based on statistics and not measured hunches about American interests, others can't help seeing similarities to the sudden boom in science books. Once the joy of discovery has waned, the real work begins. ■

BASES LOADED

It's clutch time for sports publishers who are bidding like mad to bring home newsstand dollars and national ads with annuals.

Street & Smith's
Basketball Digest 1986-87 Yearbook
Teams To Beat
Baseball Digest
The Sporting News
Pro Football
Review
Big Ten
Athlon Pro

by Fred Pfaff

It's only April. Stores just put spiked shoes and baseball mitts in their window displays. The World Series seems a lifetime away and the Super Bowl — well, forget it.

You wouldn't know it to talk to sports annuals sellers. They're already playing up football fever for their once-a-year, newsstand-only football issues, which come loaded with the latest scouting poop on pro and big-time college teams. And they're finding takers. Since fans seem to have an insatiable appetite for such record/scouting books, planners are giving them a hard look as viable, supplementary sports buys. That kind of action means more and more publishers are looking to get into a game that's already crowded with some pretty burly players.

This year marks the debut of seven national annuals for football alone, and more than 17 national annuals altogether; numerous other players are making their debuts at the local or regional level; and the largest annuals publisher has opened his books to advertising. So if you just predicted a season of tougher choices for big sports magazine buyers, "You can say that again," confirms RJ Reynolds Tobacco Co. media director Dan Pearson.

What publishers eye is a high-return route to a market of fans growing partly because of cable coverage, rising youth leagues, sport's celebrity status and the fitness frenzy. Newsstand books are cheaper to produce and devoid of huge subscription-building bills. "We only need material and staff," attests annuals publisher Norman Jacobs, president of Century Publishing Co. Publishers can bank 40% to 50% of high cover prices that average well over $3.00, while using the annual to strengthen a flagship monthly's position as a factual authority, extend the company's reach into the sports market and break into new ad categories.

"For a certain time of year," particularly during the off-season, notes Century's Jacobs, "tremendous excitement is generated among each sport's public. There's a window of opportunity there: fans who want records and statistics, previews and predictions. They'll buy a number of publications they wouldn't on a regular basis." Yet *Sports Illustrated* finds newsstand annuals too costly for its operations scale. *SI* stays out of the game, instead treating extra football preview and Olympics issues as one-shots (Olympics buys even include merchandising packages).

Consumers' willingness to pay high cover prices for annuals beeps a strong signal for media planners looking to build on a client's schedule in core weekly or monthly sports books. Another advantage is shelf life: Fans who buy a sports annual generally keep it close to the television set and refer to it continually throughout the sport's official season. Some 89% of the buyers of annuals put out by Preview Publishing, for example, read at least three-quarters of the issue, while 92% refer at least occasionally to it afterward.

Advertisers have had to judge by those selling points. Launched with only the reader in mind, many annuals have never been audited or subjected to syndicated research. "That makes them a tough call," notes RJ Reynolds' Dan Pearson. "By the time you find out you were wrong, the issue is well past." Annuals' one-shot nature, though, precludes the trend research that Pearson finds most valuable about audits. So the distribution record and reputation of the publisher plays a key role in buyers' decisions on a new entry.

"It's difficult to evaluate them on a media basis."

BOB ZACH
Vice president, media director, Chiat/Day

SCOTT AREMAN

"Since they aren't part of syndicated research, it *is* difficult to evaluate them on a media basis," adds Bob Zach, vice president, media director at Chiat/Day. "They aren't a terrific CPM buy in terms of generating total audience, but they're a good buy in terms of involvement with the issue. The buyer is paying top dollar to get it, so it's not like *People*, for instance, where it's hit or miss as to whether someone sees your ad. They have a much greater pass-along among very few people, and their souvenir quality ensures that they'll be looked at at various times during the season."

That reader involvement story, coupled with high income and professional/managerial levels, has sustained some of the grand old players in the field for years. It's been enough to make advertisers regard some of the more prominent annuals as solid demographic buys within the sports interest category. But it's uncertain whether the advertising market can support substantial growth in the ranks. At the very least, publishers agree, the recent influx of titles puts a new pressure on positioning.

To face the new competition, lots of annuals are getting spiffed up. Renewed interest and capital from parent Conde Nast aims to lock in the stance of Street & Smith's Sports Group — annuals for pro and college football, basketball, and baseball — as the oldest and most respected authority. (Conde Nast properties since 1959, the books date back to 1940.) "Our readers call us the bibles," swears advertising manager Angelo Kalogiannis.

While the books have turned sound profits on newsstand sales alone for decades, notes Kalogiannis, advertising is becoming more key. A year ago, the books were direct-mail showcases for player cards, official T-shirts and the like. Now, with more editorial color on its newsprint inside pages, lively promo kits, an in-process ABC audit, first-time trade ads and polished sellers, Conde Nast is out to sack big-name national advertisers. A median buyer age of 32 and median household income of $36,000 has already brought in such major brands as Kool cigarettes, Vitalis haircare products and Adidas shoes. Street & Smith's hopes to have two new titles to round out its package soon.

Close on Conde Nast's heels with regionalized covers that split to feature two personalities are the four statistical annuals (pro and college football, plus baseball and basketball) of the *Sporting News*. A move to heavier paper last year helped boost their combined circulation 100,000 to 1.5 million.

The annuals' almost entirely-male audience, boasting 61% ages 25-49 and median household income of $33,200, according to proprietary studies, has brought in advertisers such as Jensen audio and Vitalis, which have not run in *Sporting News*. Also helping to lure in advertisers are coated stock paper and a range of discounts, such as 14% off on buys for all four specials, 5% off for spending $42,500 in *Sporting News* in 1987 and a 5% renewal discount for steady annuals advertisers.

Jostling for rack space and ad sales with Street & Smith's and *Sporting News* annuals is the glossy, oversized, serious Preview Publishing. Preview's three-sport core lineup (*Don Heinrich's Pro Review* [football], *Bill Mazeroski's Baseball*, *Dick Vitale's Basketball*), last year added a fourth entry. The heavily statistical *The National Sports Review* strives to counter what Preview's editors saw as gutless "puffery" taking over daily newspaper and weekly and monthly sports magazine reporting. Conceived with the reader at heart, Preview lived well off single-copy sales before courting advertisers starting in 1986. And this year Preview has expanded Don Heinrich's coverage with a college football issue.

Like the grand old veterans, Preview positions as "the in-depth source" for the hardcore fan. It also claims its books are the ones with bite. "We give an inside look into teams," says Kyle Heinrich, vice president, director of sales and advertising. "And we stimulate the thought process by taking a position in black and white, which other magazines won't do." The 1986 *Don Heinrich's Pro Review*, for instance, moved quickly from four-color features on general issues facing football into black-and-white spreads containing recaps, analyses, predictions and ratings for each unit of every team, as well as back-of-the-book, four-color snapshots of players to watch.

Bite, ABC audits and a healthy demographic profile are enough to make advertisers listen. Preview's proprietary research says its readership is 94% male. Of those, 71% are between the ages of 25-49, 54% work at professional/managerial capacities, and 42% log in individual annual incomes between $25,000 and $50,000.

Those stats won Preview 18 pages of advertising per magazine last year and 25 (no more than 20% of any one

THE SPORTS ANNUALS LINEUP

Title	Circ. (000)	On sale	Ad close	Page cost B&W	Page cost 4-C
BASEBALL					
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Street & Smith's Baseball	286	3/10/88	1/11/88	*	*
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Baseball Digest Presents:					
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
–Baseball Preview	125	2/23/88	1/1/88	*	*
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
–Baseball's Best Pitchers	125	4/19/88	3/1/88	*	*
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
FOOTBALL					
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sporting News Pro Football	400	7/7	5/12	3,845	5,130
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Street & Smith's Pro Football	283	7/7	4/21	3,280	5,280
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
NFL Prologue	275	6/18	4/8	6,090	8,700
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Don Heinrich's College Preview	250	7/27	5/15	6,700	7,500
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Football Digest Presents:					
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
–NFL/NCAA Football Preview	125	7/21	6/1	960	1,200
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
–Super Bowl Issue	125	12/22	11/1	960	1,200
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
BASKETBALL					
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Street & Smith's Basketball	298	10/13	8/4	3,280	5,280
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sport Pro/College Basketball	250	10/7		***	***
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
–Pro and College Preview	125	10/20	9/1	960	1,200
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
ALL AROUND					
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Source: individual publishers

*1988 rates not yet set

**Rates negotiated on package basis

***Single sponsorships sold at $50,000

issue) this year. Support has come from the likes of Mazda Motors of America and Lite Beer from Miller Brewing. Preview will add a college football book and two other soon-to-be-announced titles in 1987.

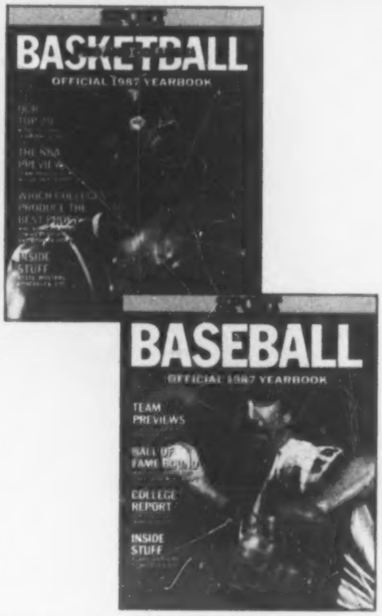
If Preview has more to sell, it also will have more to sell against. Monthly *Sport* has thrown its franchise into the field for the first time, introducing four 1987 annuals which offer advertisers seven ad pages for a single sponsorship of $50,000 and the chance to tailor ads to fit regional editions. Volvo and RJR have already signed on for what president and publisher Chuck Stentiford calls a "promotional buy."

While Petersen Publishing Co. is adding annuals, too, it's turning away from the single sponsorships that have sustained its pro football and pro baseball books. New trivia and pro basketball books this year will be slicker, more colorful and open to national advertisers.

Also vying for the authority label is a revamped lineup of standard-sized, statistical annuals from Century Publishing Co., publisher of *Inside Sports* and the smaller-sized *Digest* series. Starting in June, the company will publish one annual every month of the year and offer the package as an adjunct buy to *Inside Sports* and the *Digest* books. Publisher Norman Jacobs does not plan to replace the annuals' core of 32 pages of mail order advertising.

Taking a somewhat different stance is six-year-old Athlon. This Tennessee-based publisher's pro football annual and network of regional college football annuals emphasize personalities, feature articles and a total marketing philosophy that involves extensive merchandising. Each issue carries three to five pages of colorful features on each team. The regional distribution of Athlon's eight college books allows the publisher to regionalize the covers of its nationally distributed pro football book — "a really neat advantage," pipes in Zach.

Selling philosophy is just as different. Though it trumpets its recent 3.5% guaranteed net paid circulation average rise to 171,393 and its almost entirely male readership base, Athlon goes for other angles as well — namely merchandising. It builds into every page price an issue and personalized letter mailing to an advertiser's top 100 customers; pocket-sized college football schedules with the advertiser's logo and sales messages; 12 college bowl tickets; and a football update newsletter that reaches selected customers every Tuesday for the 13 weeks of the college season.



***Sport** brings a name and single sponsorships into the field.*

To be sure, features and merchandising are targets for competitors' jabs. For instance: "Athlon is all gloss and puff," snipes Preview's Heinrich. "They're selling tickets more than media," quips *Sporting News* president/CEO Richard Waters. But that doesn't bother Athlon's vice president Roger DiSilvestro a bit: Athlon's 1986 pro football issue closed with 125 ad pages from 102 advertisers, a tally that makes Athlon's recent decision to add a major league baseball program in 1988 easy to understand.

Advertisers aren't sniping. Merchandising is the "deciding factor" in HCM media supervisor Janet Krug's sports planning for client Clarion Corp. of America, car audio equipment marketer. Krug's prime target is 18-34-year-old men; her aim is a "high profile buy." To build on Clarion's base in *Sports Illustrated*, *Sport* and *Inside Sports*, she buys Athlon as well as sundry arena programs. "An efficient publication" in her opinion, Athlon boasted the right emphasis on merchandising. "Sales managers can really use the tickets and trips for dealer incentives and salesforce motivators," she points out.

But most advertisers buy annuals for their long shelf life with a reasonably affluent audience. That is what convinces RJ Reynolds' Dan Pearson, for one, to build brands through pages in most of the major annuals. And those "repeat exposures, which are much higher than for weeklies or monthlies," combined with a discount offer, are what convinced Gardner Advertising project associate Diana Haerr to get client Jack Daniel Distillery's standard black-and-white, two-thirds page ads into all four Preview Publishing books.

"We like the Preview books," agrees Katie Jones, senior media planner at Foote, Cone & Belding/Santa Ana. "They're enthusiast books with healthy newsstand, a good editorial base, an upscale audience and a large size. Because they have statistics and projections from the beginning of the season, we believe they have a longer shelf life. They form a really good marriage with broadcast buys." To tie in with Mazda Motors of America's 1986 tv sports schedule, Jones bought Preview's basketball and year-end *National Sports Review* issues; football will be added this year.

However valuable as vehicles, there may be too many annuals. Newsstand space is shrinking as owners replace magazines with other items that UPC code tracking reveals to have faster sell-through — a development that increases the importance of ad sales. Many publishers, like Street & Smith's Kalogiannis, view their books as effective secondary sports buys for a men's market that's hard to reach in print and as competitors only of other annuals. Indeed, most planners don't pull dollars for them from their budgets for core books.

"There's got to be a shakeout sometime soon," admits Kalogiannis. "I think readers are sampling right now, but I don't see a long-term market for four or five annuals in one sport. Maybe two or three can make it."

As much as she agrees, Foote, Cone & Belding's Katie Jones can't complain about the prospect of fewer choices. "I'd hate it to get like the high tech category," she says. ■

BRAND REPORT

No. 141: Adult Cereals

BRANTASTIC

by Paula Schnorbus

Oooh, for the days of Tony the Tiger, Snap, Crackle and Pop and milk bowls stained brown from the yumminess of Cocoa Puffs. But all good things must come to an end, and even though a few of those over 21 may sneak in an occasional bowlful of childhood memories, the rest are dutifully squaring their shoulders to responsibility and EATING RIGHT. And in today's world, that means crunching through lots and lots of bran-based cereals.

Cereals geared to adults have become very big business. Most students of the field date the real emergence of the trend to Kellogg Co. and its highly controversial, groundbreaking campaign for All-Bran in 1984. Playing straight to the public's deepest health

Adult Cereals Media Expenditures Jan.—Sept. 1986 (000)

	Media Total	Magazines	Sunday Magazines	Network Television	Spot Television	Network Radio	Cable TV Networks	Spot Radio*
General Mills (Fiber One; Total)	$13,558.4	$224.5	—	$11,175.5	$1,750.6	$310.5	$722.8	—
Kellogg (All-Bran; Fruitful Bran; Just Right; Nutri-Grain; Product 19; Special K; 40% Bran Flakes)	53,392.1	582.2	—	48,742.1	3,467.3	—	412.0	—
Nabisco (100% Bran; Fruit Wheats; Shredded Wheat; Shredded Wheat 'n Bran)	17,402.8	1,238.4	33.5	13,380.1	1,513.2	—	927.3	—
Post (Fruit & Fibre; [illegible]; Natural Bran Flakes; [illegible])	42,527.0	7,9[illegible]	—	27,984.0	4,070.5	—	1,5[illegible]	—
Quaker Oats (100% Natural; Corn Bran; Puffed Rice and Wheat)	3,959.6	1,201.6	—	—	2,094.5	—	—	393.2
Ralston Purina (Chex cereals—individual Bran Chex expenditures not available)	9,774.1	76.4	—	9,575.9	60.8	—	61.3	—

*Source: Leading National Advertisers; *Radio Expenditure Reports. 1986 newspaper figures weren't available at press time.*

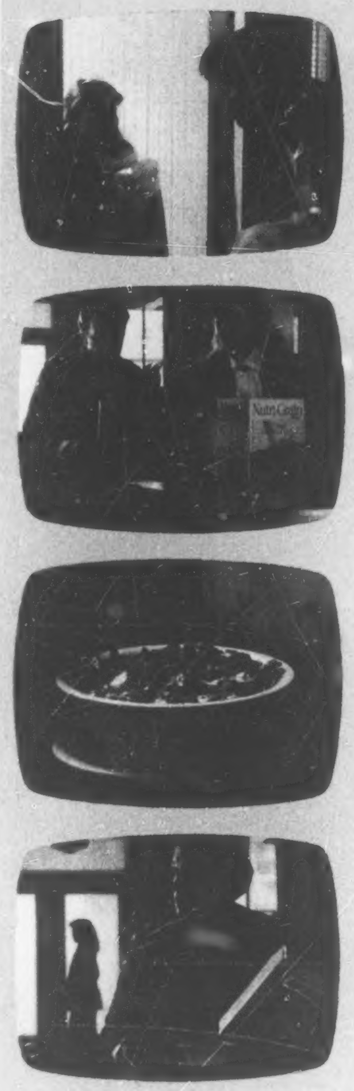
ILLUSTRATION BY MIKE QUON DESIGN

fears, Kellogg's advertising for All-Bran — and the box itself — invoked the name of the National Cancer Institute and its suggestion that increased intake of bran cereal might stave off the disease. The write-up on the box, which includes "Preventative Health Tips" from the National Cancer Institute, explains that the Institute "believes eating the right foods may reduce your risk of some kinds of cancer." High fiber, of course, is mentioned next.

Even though all that bran fiber may have tasted like wood shavings, the public quickly acquired an appetite for it. By 1985, national tonnage in bran/fiber varieties of ready-to-eat cereals exploded to 360 million pounds from 309 million pounds a year earlier. SAMI/Burke Inc. reports that in 1986, market share of bran/fiber cereals continued to rise to 387 million pounds, or a 17% share of the ready-to-eat cereal market.

Just about every cereal manufacturer has jumped on the bran/fiber/health bandwagon. Cereal commercials, once the province of early morning and daytime, have moved into prime time when mom, dad and gramps are watching. The demographics indicate this concern for healthier eating, i.e. adult breakfast foods, will continue. Aging baby boomers will account for 23% of the population by the year 2000, up from 19% in 1985. The age group ranging from 45 to 64 years old eats breakfast 79% of the time, according to an August report on the breakfast food market from Business Trend Analysts Inc., Commack, N.Y. The report says that this group is far more likely to munch on whole-grain, high-fiber cereals than sticky buns.

Fiber, fiber, who's got the fiber, is the question it seems on all the cereals cramming the supermarket shelves. It has also become a question among advertisers, many of whom have wasted no time jumping on the bran-wagon; consumer groups, who are wary of the grandiose cereal claims; and the Food and Drug Administration, which, because of all the commotion, has been developing food labeling guidelines since the Kellogg ad. Says Lillie Taylor, assistant to the director of the FDA's Division of Regulatory Guidance, "We basically think food labels are not the place for therapeutic or drug claims. It's not just because of Kellogg."



Kellogg goes for the sentimental pitch with Nutri-Grain.

Bonnie Liebman, director of nutrition at the Center for Science in the Public Interest, a Washington, D.C.-based consumer group, says the Kellogg ad doesn't indicate whether one should eat a swallow or a box of bran cereal a day. "It's not so much that ad but other manufacturers taking advantage of the opportunity," she warns. Liebman says fiber isn't a nutrient such as vitamins, minerals or proteins, so there isn't a U.S. Government Recommended Daily Allowance. Consequently, there are claims such as the nebulous "high fiber," or "rich in fiber." Liebman notes many are high in fat, but that, of course, is left off the box.

Meanwhile, the Federal Trade Commission still stands by statements made more than two years ago by then-director of the Bureau of Consumer Protection Carol Crawford, who endorsed the Kellogg ads saying, "They are useful for making purchasing as well as dietary decisions and informed choices. It is this type of advertising we believe should be encouraged."

And how. In an October report on ready-to-eat cereals, *Consumer Reports* notes that Kellogg's All-Bran sales skyrocketed 41%. Kellogg won't comment on the figure except to say that they and other cereal companies experienced a "positive impact" from Kellogg's promotion and advertising.

Indeed, Liebman says other cereal companies are "piggybacking" on the Kellogg ads. "All another company has to say is 'We have a lot of fiber,' and [consumers] think of Kellogg," she says.

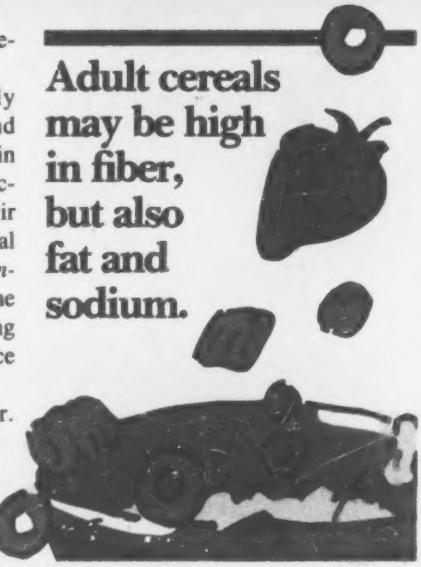
And yet one survey of high-fiber product purchasers seems to indicate that adults don't choose cereals based on nutritional content. According to *Prevention* magazine, 32% of those polled said taste was the most important consideration. Only 11% said the next consideration was that the cereal be "good for you." The survey also found that people with higher incomes and education are more likely to buy high-fiber products. More detailed data will be in *Prevention*'s May issue.

Adult cereals have never been known for their great taste, a concept hard to take for those weaned on breakfast foods choked with sugar. Through the years, cereal makers have been trying to rectify the problem by tossing in fruits and nuts. Rod Shank, grocery buyer/merchandiser for Stop & Shop Supermarkets, of which there are about 150 in Massachusetts, Rhode Island and Connecticut, says, "Kellogg's Nutri-Grain will do very well, but then another company introduces high-fiber with fruit. Then people like to taste other cereals to see if there is something they like better."

The cereals are pitched mostly through television advertising and heavy use of free-standing inserts in Sunday newspapers. Cereal manufacturers don't have loose lips about their advertising budgets or even individual breakouts of adult cereal sales. *Consumer Reports* notes, however, that the "industry spends a dime on advertising for every dollar it takes in — twice what other food makers spend."

How good for you is this stuff? Dr. David Klurfeld, who researches diet and chronic diseases as an associate professor of the Wistar Institute, a Philadelphia-based biomedical institute, says it depends on the claims being made. "You can say fiber is certainly good in preventing constipation and diverticular disease, but most people are making claims that go beyond that," he says. "I think fiber does play a role in preventing colon cancer, but which types of fiber and the amount necessary, I don't know."

Adult cereals may be high in fiber, but also fat and sodium.



Following is a list of cereal companies in order of combined market share of fiber and adult nutritional cereals. Timothy Ramey, analyst with Kidder, Peabody & Co., estimates that in 1986, Kellogg had a 48% share; General Foods' Post division a 29% take; General Mills stood at 16%; Nabisco at 3%; and Quaker and Ralston Purina approximately 2% each.

KELLOGG

Kellogg appeals to our innermost fears and yearnings by pitching "cancer preventative" fiber cereals to our grown-up sense while Tony the Tiger faithfully goes after the kid in all of us with his **Frosted Flakes**.

Frosted Flakes have been marketed to all age groups because of marketing research that shows adults have been buying the cereal, but are "embarrassed to let people know they buy it for themselves and not their kids or grandkids," says Celeste Clark, Kellogg director of corporate publicity. The tv ads show adults cast in shadows as they gush about their love for Frosted Flakes, which has a taste they've "grown to love."

The brand is 35 years old this year, and apparently has kept many of its original consumers. Kellogg dropped the "sugar" prefix from the Frosted Flakes name in recent years.

Clark says more-adult brands have been introduced by Kellogg in the past couple of years. She adds that the 18- to 49-year-old age group is a particular challenge because "they tend to skip breakfast more than other age groups."

Kellogg's bran cereals, as well as those made with corn, wheat, rice and oats, are pitched to adults, although **Raisin Bran** includes an ad execution directed at children.

All-Bran, which made its debut in 1916, is considered the "gold standard" for high-fiber cereals, claims Clark. **Bran Buds** (shreds of wheat bran), **Cracklin' Oat Bran, Fruitful Bran, Bran Flakes, All-Bran Fruit and Almonds** and **All-Bran Extra Fiber** may carry the cancer preventative message, as well as one to consult a doctor if abdominal digestive pain occurs. In addition, Fruitful Bran and Bran Flakes offer $5 off coupons for Reebok, Nike and Winner sneakers in conjunction with Sears.

Nutri-Grain, which dedicates itself to the ones we love, is introducing a new **Nutri-Grain Nuggets** product. Kellogg reportedly is spending — but won't confirm — $24 million on the five-product line, which targets adults particularly interested in health and fitness. LNA reports that Kellogg spent $8.2 million on the cereal line for the first nine months of 1986.

J. Walter Thompson USA, Chicago,

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So if you're looking for a market that's M, M! M, M! Good!, look no further. Call Bill Peckham at 401-277-7172 or write and ask for our free test market information kit.

The Providence Journal-Bulletin
Put America to the test.
75 Fountain St., Providence, RI 02902

is in charge of the bran cereals as well as Nutri-Grain. Leo Burnett USA, Chicago, takes care of Frosted Flakes, **Just Right, Product 19,** and **Special K.**

Product 19 markets itself as a dieter's cereal with promotions for weight scales and brochures with diet information and coupons for Weight Watcher's foods. Special K had an estimated $9 million in ad expenditures for the first nine months, according to Leading National Advertisers.

Special K pitches "no cholesterol" and apple juice coupons. **Just Right** provides a granola bar recipe on its package. LNA reports that both Product 19 and Just Right spent about $8 million and almost $9 million, respectively, on mostly network tv in the first nine months of last year.

Pro Grain, a new cereal that provides "high performance nutrition for a high-performance body," will be pitched to teenagers and young adults as the Ironman Triathlon food in a campaign handled by Leo Burnett. Kellogg is said to be spending $30 million on advertising for the introduction of the pre-sweetened oat cereal.

Grape Nuts has been doing well in New York with more advertising.

LNA's nine-month figures show that Kellogg's adult cereals almost always advertise on television, be it network, spot or cable, and in that descending order. Tv ads are usually :30's, but :15's have been used. The bran cereals and Nutri-Grain are advertised on *Good Morning America, CBS Morning Program, CBS Evening News, NBC Nightly News, Head of the Class* and *Matlock*. They also can be seen on *Nickelodeon* and USA cable networks. Clark admits that currently, "We don't use much print" and schedule "no radio." Free-standing inserts with coupons are used for most of Kellogg's cereals. A popular promotional sort of bingo game is called "cash-on-line," where a consumer collects proofs of purchase from different products and then wins $10 in cash.

GENERAL FOODS' POST

Post cereal tv commercials are about as au naturel as they can get, seemingly pitched to folksy types of the late 1960's and early 1970's. There's John Denver hustling **Post Natural Raisin Bran**, which apparently wasn't "natural" for some 50 years before the preservatives and sugar coating were removed from the raisins.

Ken Defren, director of communications at General Foods, explains, "Post Natural Raisin Bran appeals to a somewhat older group of people. They relate to it more than a teenager." Denver has been spokesperson for the cereal for about a year. According to *Forbes*, he was paid about $1 million for his appearance. Keeping with its back-to-nature tone, the cereal sponsored a program under which Post donated $250,000 to the national park system. "We were helped along by consumers through proofs of purchase to order materials we had written [about various parks]," says Defren. Consumers also could win $200 worth of travel coupons. LNA estimates that about $10.1 million was spent on the cereal for the first nine months of 1986, most of which was used for network, spot and cable tv, with $1.1 million going to magazine ads.

Post Grape Nuts date back to 1897. Their commercials feature an outdoorsy type wandering around his or her country-like yard, drinking the milk backwash directly from the cereal bowl. Post must know when it has it good because they are keeping the theme for the Grape Nuts commercials.

For three years, Grape Nuts has been sponsoring bicycle festivals in conjunction with Rodale Press. There are also sampling events in conjunction

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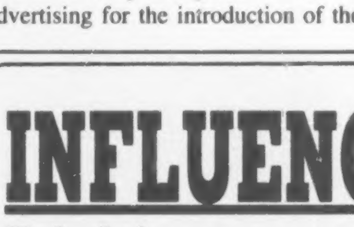
The Blade's strong influence makes it an effective catalyst for community achievement. It's an influence we share with advertisers in our 14-county market. 3-county Metro area Sunday coverage 82%; 3-county Metro area daily coverage 67%.



THE BLADE
One Of America's Great Newspapers

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Downtown Toledo: From a small settlement on the Maumee River to a major international port with important ties to world industries and markets.

with the American Ski Association. Participants may partake of free Grape Nuts breakfasts and win prizes. Grape Nuts also offers coupons for Jell-O on the back panels of cereal boxes.

LNA says General Foods spent $13.8 million on Grape Nuts, of which $8.6 million was on network tv, $3.1 million on spot, $353,300 on cable, and $1.9 million on magazine ads.

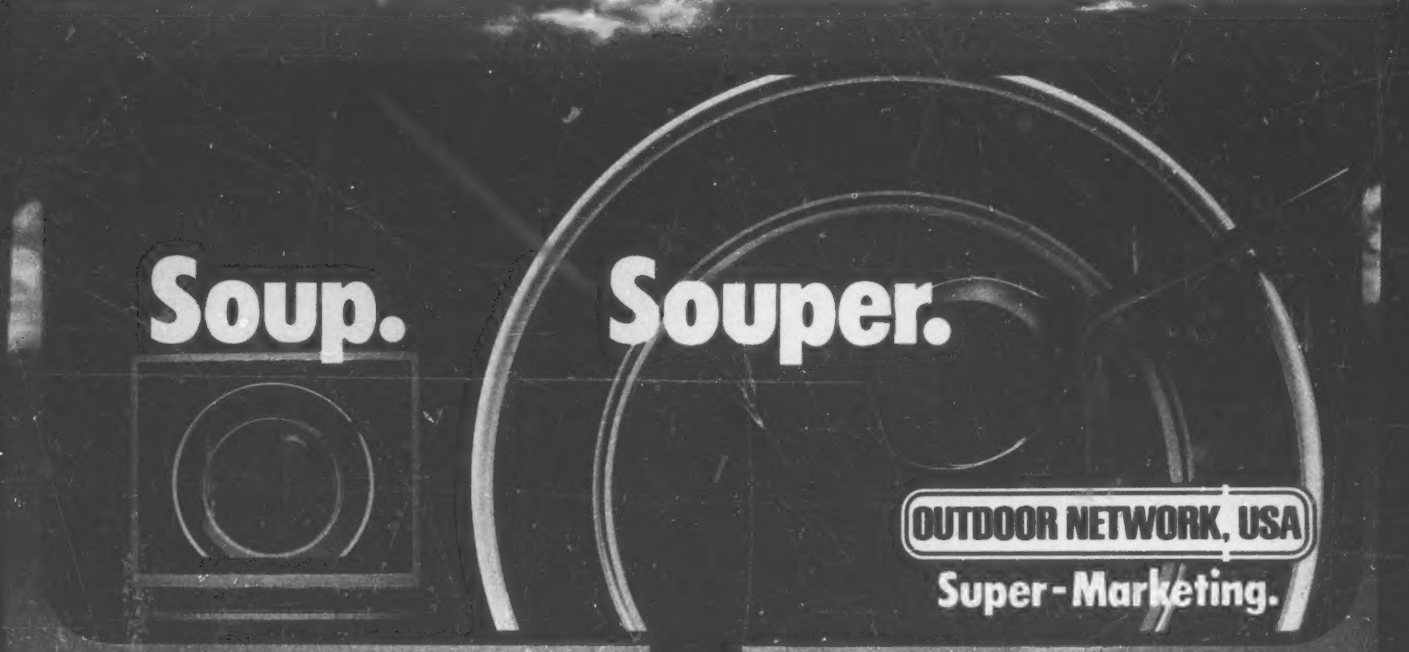
Other cereals directed to adults are **Post Toasties** and **Post Fruit & Fibre**, which has four products under its trademark. "Once they're in the house, many of these appeal to a much broader age group, especially Post Fruit & Fibre," Defren observes. Generally, the adult cereals are targeted at the 35-plus age group. Fruit & Fibre's ad expenditures, according to LNA, were $11.4 million, with $8.1 million on network tv and $2.2 million on magazines. Spot and cable tv ads were minimally used, LNA reports. *Metropolitan Home* has run a two-page spread, including a recipe, for Fruit & Fibre with the headline, "The Elegant Breakfast."

Post pitches to the organic, outdoorsy types with skiing and bike trips that feature free breakfasts.

Post Toasties aren't supported by advertising currently, but by couponing. A recent promotion was for Post Toasties car mugs. **Horizon Trail Mix**, introduced less than two years ago, is still being distributed, although it isn't advertised. For the first nine months, LNA reported $5.3 million in ad expenditures, $3.6 million of which was in network tv, $903,700 in magazines and the rest in spot and cable tv.

Post's tv commercials are mostly :30's and are often shown during prime time, says Defren. They have appeared on the morning and evening network news shows and also on *Moonlighting*, *Dallas* and network movies. Free-standing inserts are dropped with "some regularity" in print advertising. Magazines used include *Health*, *McCall's*, *Family Circle*, *People*, *Good Housekeeping*, *Woman's Day*, *Time*, *American Health* and *Parents*. Grey Advertising handles the adult cereals' accounts.

It has been reported of late that General Foods is stepping up its advertising expenditures, although the company declines comment on that also. Barry Maddox, grocery buyer for the Memphis division of Malone and Hyde Inc., a grocery wholesaler, says Post cereals have been declining in his area, which covers parts of Mississippi, Tennessee and Arkansas. "They've dropped about two points in this area," he says,



If you have an appetite for a larger, hungrier audience than just your spot TV alone delivers, take a look at what Outdoor Network, USA can bring to the table.

We have developed a strategically targeted program of regional buying and placement that delivers piping hot consumers, in their cars and ready to buy. Serving them up in as short as five weeks from preproduction to posting in any or all of 277 cities. All with just one monthly invoice and one monthly bill.

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You'll find that when it comes to packaged goods, we are souperlative. © Gannett Outdoor, 1987

adding that none of Post's cereals have been very aggressive and have only had promotions from time to time.

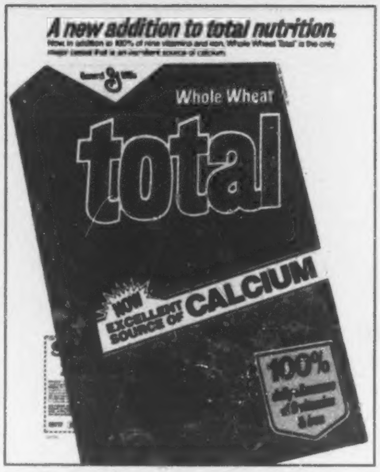
Jim Higgins, a cereal buyer for Giant Food Inc., a Landover, Md., chain with about 140 stores in Maryland and Virginia, says, "Post isn't doing so well. The support and tv advertising just doesn't hit home."

But Ray Kurvc, corporate category manager of Grand Union, an Elmwood Park, N.J.-based supermarket chain with 380 stores on the East Coast, says, "Grape Nuts have always done well" in the New York area. "They're riding high lately with an increased advertising schedule."

GENERAL MILLS

Not counting the new "family" targeted **Raisin Crisp, Fiber One,** a relative newcomer, and a new calcium-fortified **Total** are General Mills' adult entries.

Kathryn Newton, public relations supervisor for General Mills, explains that 26-year-old Total, which has always marketed itself as 100% vitamin fortified, is picking up on yet another health trend, the craze for calcium, by adding the element to the cereal, which appears in whole wheat and corn flake forms. Total allegedly supplies one-fifth of the daily calcium requirement, and, with milk, the percentage rises to 35%. Total is pitched, but not strictly limited to those over 55 years old, who have a "stronger interest in health."


A new addition to total nutrition.
Whole Wheat
total
NOW EXCELLENT SOURCE OF CALCIUM
100%

Total has been pumped up with calcium for the over-55 crowd.

General Mills says it found the public was concerned about osteoporosis, a condition supposedly linked to calcium deficiency by which bones become brittle. Dr. Klurfeld of the Wistar Institute says the osteoporosis issue has become controversial of late because the data was developed from a single laboratory. However, he admits that Total serves a "useful purpose for some people, but it doesn't replace a well-balanced diet."

Fiber One was introduced in April 1985 following consumer requests for more fibrous products, Newton says. The cereal also carries National Cancer Institute information, including a "Back to Fiber" quiz on the back of the box. Last fall, the cereal featured sweepstakes for airline tickets, diamond necklaces, golf clubs, tennis rackets and furniture.

Total, in conjunction with Rockport shoes and the National Fitness Foundation, is sponsoring a fitness walking promotion and also peddling a book on fitness walking.

DFS Dorland is in charge of both Total and Fiber One. According to

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© Gannett Outdoor, 1987

nine-month figures from LNA, Total had diversified ad expenditures of almost $10 million that included usage of network, spot and cable tv, magazines and network radio, while Fiber One mostly used network tv, with about $3.7 million spent in advertising. Both cereals are advertised in *Reader's Digest* and *Modern Maturity*. Fiber One can be seen advertised during daytime game shows because studies have shown that the over-55 crowd will watch those before soap operas.

Nature Valley, a popular granola cereal in the mid- to late 1970's, will be brought back this year as **Nature Valley 100% Natural**. Newton says that as a granola cereal, Nature Valley "does really well" in the Midwest and Northwest. The new Nature Valley will be lighter and crispier with nuts and fruits, and will continue to be low in sodium, Newton says. Asked what had happened to Nature Valley, Newton replies, "The cereal category is so competitive with new products that people start using a new cereal and don't go back to the old one." Ad plans weren't in place at press time.

NABISCO

Nabisco Shredded Wheat went to the head of *Consumer Reports*' ready-to-eat cereals class. The report rates them for having lots of fiber and protein, very little sodium or fat and no sugar.

All of the Nabisco cereals are "technically adult cereals," reports Caroline Fee, manager of public relations for the company, which was acquired by R.J. Reynolds Industries Inc. in 1985. The cereals include **Nabisco 100% Bran, Fruit Wheats, Team Flakes** and **Nabisco Shredded Wheat** and its varieties of **Nabisco Toasted Wheat & Raisin, Spoon Size Shredded Wheat** and **Shredded Wheat 'n Bran.**

FCB/Leber Katz took over the cereals' ad accounts from Doyle Dane Bernbach in June. Fee explains that RJR Nabisco realigned the agencies as part of an overall plan to strengthen the business relationships with the agencies already on its roster.

The Nabisco cereals are pitched to the "health-conscious adult user," says Fee. "We continue to stress the strong heritage we have with Shredded Wheat because it's a wholesome, natural, high quality product."

Announcing a major breakthrough in breakfast cereal.
FRUIT WHEATS
FRUIT WHEATS
FRUIT WHEATS
New Nabisco Fruit Wheats. Real fruit in every bite.

Nabisco stresses its "wholesome" image in its advertising.

Through its advertising, Nabisco "continues to take the nutritional story to the consumer," Fee explains. "It's been very effective for us, especially because it has no added sugar or salt. The age group hasn't changed, but the market has expanded as more and more people become health conscious."

Promotions this year included a point-of-sale, joint promotion that ran February through March with Del Monte Corp., which was acquired by Reynolds last year. Del Monte's bananas were decorated with one of the lines, "Try me on . . .," or "I'm great on . . .," and then the name of a cereal such as Shredded Wheat, 100% Bran or Shredded Wheat 'n Bran. Nabisco 100% Bran cereal has a 20-cents-off coupon and a recipe contest with a $10,000 cash prize. There are also Spoon Size Shredded Wheat recipe booklets, unsalted snacking recipe promotions and a recipe on the back panel for an Italian snack mix.

Ads have appeared in *Family Circle, Good Housekeeping* and *Health*. Nabisco also runs 30-second spots on *General Hospital, Dynasty, The Cosby Show* and *Kate & Allie*, as well as free-standing inserts in newspapers.

Nine-month figures from LNA report that Nabisco spent $9.3 million on advertising, $8 million of which was on network tv with descending amounts on spot and cable tv and magazines. About $6.2 million was spent

There's no business like the mature market business!

86% of our readers buy breakfast cereal, 52% buy sugar substitutes, and 56% buy regular grind coffee.

50plus

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on Shredded Wheat n' Bran, according to LNA, most of which was in network tv. Nabisco 100% Bran's $552,000 in nine-month expenditures was entirely in magazines, says LNA.

QUAKER OATS

While tv is king among advertising media for most adult cereals, Quaker Oats uses only print to get its more focused message across for its **Puffed Wheat, Puffed Rice** and **Quaker Corn Bran** cereals.

Because Puffed Rice and Puffed Wheat have 50 calories a serving, ads appear in *Weight Watchers* magazine, *Reader's Digest, Woman's Day* and *Working Woman*. The cereals picked up Geers Gross Advertising and dropped BBDO last summer because of Omnicom merger conflicts.

FIBER!
NO BRAN FLAKE HAS MORE.
Quaker
Corn Bran
No Bran Flake Has More Fiber

Quaker's Corn Bran is confined mostly to magazine ads.

Quaker Corn Bran, another member of the high-fiber cereal category, runs ads with comparative claims in terms of grams of fiber and taste compared with wheat bran cereals. The cereal, which is targeted at consumers age 30 and older, is handled by the now independent BV&F, which was formerly the Backer & Spielvogel Chicago office and had been handling Corn Bran's account. Magazine ads for Corn Bran have run in *Mature Outlook, 50 Plus, Health, Reader's Digest, Saturday Evening Post, McCall's* and *Good Housekeeping*.

Dr. Klurfeld of the Wistar Institute warns that corn bran may have more fiber than wheat bran, but in most animal studies, wheat bran protects against colon cancer while corn bran may increase chances. According to *Consumer Reports*, Quaker Corn Bran is high in sodium.

Ron Bottrell, senior manager, corporate communications, explains why ads are limited for Puffed Rice, Puffed Wheat and Corn Bran. "You won't see any tv for those [Puffed Wheat and Rice, Corn Bran]. They are not the best selling cereals. Their market share is to appeal to a narrower group of individuals with much more targeted and focused advertising than tv."

100% Natural adopted Jordan, Manning, Case, Taylor & McGrath in August from BBDO following its Omnicom merger. Bottrell notes the cereal has used tv in the recent past, focusing on the ingredients for a "symphony of flavor." The cereal has been advertised on the morning network news shows and evening network news shows on a spot market basis, *The Late Show, The Tonight Show* and *Nightline*.

WITH THE DANBURY NEWS-TIMES FCD'S REACH GETS RICHER.

The New York ADI is never fully penetrated without the irresistible wealth of Fairfield County. And the FDC Newspaper Network continues to expand its reach to that vital and affluent market, with the Danbury News-Times increasing our circulation by 34%: now a full 3% coverage of the NY ADI.

Reach the rich where they live.
Call Elliot Huron, Landon Associates:
(212) 867-1112

FAIRFIELD COUNTY DAILIES
FCD
one order / one bill / at a discount
At home with irresistible wealth

FCD: The Bridgeport Post-Telegram, Danbury News-Times, Greenwich Time, The Hour (Norwalk), The Advocate (Stamford)

Life Cereals also use Jordan, Manning, and the popular "Mikey" character, now all grown up, is back on the box, charming the public as a young adult. Special adult-oriented promotions include photo trivia cards with the theme "*Life* Magazine Remembers." Life is also being promoted with a "Rock Music Mystery" with free records, classic rock-and-roll cassette tapes and Pioneer audio-video home entertainment center giveaways.

Kretschmer cereals and Sun Country were acquired from International Multifoods Corp. recently. Bottrell notes that the wheat germ and granola-based cereals formerly hadn't been advertised heavily, but Quaker "will market them more aggressively." Nine-month figures from LNA show that Kretschmer cereals had expenditures of $1.1 million, most of which was in spot tv.

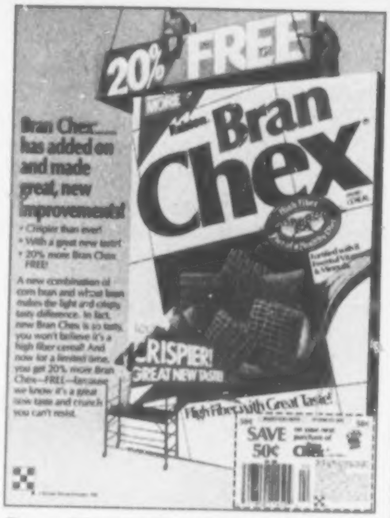
Ad expenditures at Quaker are escalating, although Bottrell won't reveal how much. LNA reports low figures for the nine months, such as $2.1 million in spot tv advertising for **Quaker 100% Natural**; $604,000 in magazine advertising for Quaker Corn Bran; and $657,500 for Puffed Rice and Wheat in magazine advertising.

Another adult cereal, **Quaker Oat Squares**, square biscuits principally made of oat flour, is being tested. Jordan, Manning is orchestrating the campaign, its first for a new product at Quaker. The theme is "Honest taste from an honest face."

RALSTON PURINA

Bran Chex is bigger and better than ever, with a "great new taste" and 20% more cereal per box amounting to three free servings, according to Ralston Purina.

Last month, the new "lighter and crispier" Bran Chex hit the grocery stores with a new taste to better compete in the overflowing bran cereal market. Sandy Harrington, manager of marketing public relations, says that Bran Chex, the only "adult" cereal of the six versions of Chex cramming the shelves, ranks fifth in high-fiber content among more than 20 competitors. The debut was supported by spot tv ads and a healthy dose of free-standing inserts with coupons in Sunday newspaper supplements nationwide. Bran Chex hadn't been advertised independently from the other Chex cereals since its introduction. Wells, Rich, Greene is the ad agency. Ad expenditures weren't revealed.


20% FREE
MORE
Bran Chex
Bran Chex has added on and made great, new improvements!
CRISPIER!
GREAT NEW TASTE
High Fiber with Great Taste!
SAVE 50¢

Bran Chex is thundering about how much bigger and better it is.

Consumer Reports notes in its October issue that Bran Chex is one of the highest in fiber but also one of the highest in sodium. Harrington says the sodium content hasn't changed.

Harrington notes that all other Chex cereals and other Ralston brands such as **Almond Delite** and **Sun Flakes** fall within the family cereal category.

Bran Chex also has been sponsoring the "Healthy Heart Sweepstakes" where 200 consumers may win a free annual physical exam for the next 10 years. The cereal, like the other Rice Chex, Wheat Chex, Corn Chex, Double Chex and the new Honey Gram Chex, offers recipe books. A recipe calendar also has been offered from the Chex cereals for some 10 years.

Harrington notes that "80% of brand choices are actually made in the cereal aisle." Grocery lists usually only have the word "cereal" as a purchase to be made without a brand specified.

"You need a refund offer, or whatever, to make the box stand out," Harrington advises. "It used to be the woman with 1.25 children doing the shopping. Now it's the teenger with both parents working, or senior citizens, or the man in the family. If you don't do couponing, you should do anything that you can to make the package stand out." ■

Second Annual Regional
Creative Media Awards

Winners of The Second Annual Regional Creative Media Awards will be announced and honored at an Awards dinner on Wednesday, June 17 in Los Angeles. The event is held in conjunction with Marketing & Media Week.

The growing complexity and importance of media have pushed the media department into a higher profile with today's advertising agency and client. Regional Creative Media Awards are designed to recognize this growing importance.

Anyone from 11 Western regional states including Alaska and Hawaii may enter. Submit entries not older than January 1984 with supporting rationale for the selected media and strategy. If entries are submitted for more than one category, include duplicate entry forms and separate complete copies of your entry for each category. Fee per entry, $15. Entries will be judged on:

1. Clear concise explanation of the innovative concept.
2. Tactical approach.
3. Effectiveness relative to objective.

Awards given for these categories:

1. **Most Creative Overall Media Plan**

Most creative tactical use of:

2. **National Television, including syndication & cable**
3. **Local Television**
4. **National Radio**
5. **Local Radio**
6. **Consumer Magazines**
7. **Business Publications**
8. **Newspapers, including Sunday supps & FSI's**
9. **Out-of-Home**
10. **Yellow pages**

Deadline for entry: Wed., May 13
Please send entries to:
Marketing & Media Education
902 Broadway, NY 10010-6003
(212) 505-1350

ENTRY FORM

Category number entered ____________

Key Person(s) to be awarded:
Name Company

____

____

Entry submitted by ____________

Address ____________

____

Phone number (   ) ____________

ECONOMIC EYE

PAPERS PREDICT A 7% AD DOLLAR GAIN

Craig Standen, president of the Newspaper Advertising Bureau, sees his medium gaining 7% in ad investments in 1987. The breakdown: national business, up 5%; retail, up 7%; and classified up 8%. National and retail figures are stronger than in 1986; classified is weaker.

MAGAZINE AD SCORECARD	Ad Pages Feb. 1987	% change from Feb. 1986	Dollars spent (000)	% change from Feb. 1986
1. Skin care, Creams, Lotions and Oils	185.38	+16.8 %	$ 6,205.0	+39.47%
2. Lip and Eye Beauty Products	72.58	+73.68	2,474.0	+80.31
3. Scents and Fragrances	93.73	−12.39	2,085.3	−11.41
4. Facial Makeup Products	76.75	+81.10	2,806.0	+74.32
5. Prepared Dinners and Entrees (Including Pizza)	57.64	−3.63	2,898.3	+3.96
6. Liquor	221.94	−29.74	8,704.2	−31.63
7. Cigarettes	585.34	+18.58	2,988.0	+25.0
8. Soaps and Detergents	22.26	−43.69	1,395.0	−43.93
9. Passenger Cars, Domestic	368.02	−11.90	20,025.2	+7.10
10. Passenger Cars, Imported	400.90	+33.03	18,918.0	+26.71

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

Medium	Mar.	% change	Apr.	% change	May	% change	June	% change	July	% change	Aug.	% change	Sept.	% change	Oct.	% change	Nov.	% change	Dec.	% change
Network TV																				
Daytime	[illegible]	−4	[illegible]	−0	[illegible]	−0	[illegible]	−0	[illegible]	+2	[illegible]	−0	[illegible]	+2	[illegible]	+3	[illegible]	−2	[illegible]	−15
Nighttime	[illegible]	+4	[illegible]	−8	[illegible]	+3	[illegible]	+9	[illegible]	+7	[illegible]	+8	[illegible]	+7	[illegible]	+4	[illegible]	+7	[illegible]	+9
Spot TV (1980=100)																				
Prime time	[illegible]	+16	[illegible]	+16	[illegible]	+20	[illegible]	+20	[illegible]	+26	[illegible]	+21	[illegible]	+5	[illegible]	+19	[illegible]	+15	[illegible]	+16
Daytime	[illegible]	+9	[illegible]	+5	[illegible]	+9	[illegible]	+5	[illegible]	−5	[illegible]	+9	[illegible]	−2	[illegible]	+9	[illegible]	+11	[illegible]	+5
Network radio (1980=100)	[illegible]	+13	[illegible]	+12	[illegible]	+13	[illegible]	+14	[illegible]	+4	[illegible]	+5	[illegible]	+4	[illegible]	+15	[illegible]	+6	[illegible]	+1
Spot radio						−5						−2						+3		
Consumer magazines	[illegible]	+6	[illegible]	+6	[illegible]	+6	[illegible]	+6	[illegible]	+5	[illegible]	+5	[illegible]	+6	[illegible]	+7	[illegible]	+6	[illegible]	+7
Natl. Sunday mags	[illegible]	−7	[illegible]	−7	[illegible]	−7	[illegible]	−4	[illegible]	−4	[illegible]	+5	[illegible]	+5	[illegible]	−6	[illegible]	−6	[illegible]	−6
Business publications	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+6	[illegible]	+6	[illegible]	+6	[illegible]	+5
Daily newspapers (1980=100)	[illegible]	+8	[illegible]	+8	[illegible]	+8	[illegible]	+8	[illegible]	+8	[illegible]	+8	[illegible]	+8	[illegible]	+8	[illegible]	+9	[illegible]	+9
Outdoor	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+7	[illegible]	+11	[illegible]	+6	[illegible]	+6	[illegible]	+6

Notes: Percentage shown is relative change from the same month/period the year before. 1977=100 except where noted.

Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 46 publications representing 42 business and professional classifications.

POINT/COUNTERPOINT/

THE GREAT BARTER DEBATE

BARTER ARDOR COOLS DOWN

Just a few short years ago, barter syndication was being touted as one of the hottest developments in the world of media. Agencies and their advertisers began to make significant national buys in the growing number of relatively low-cost, "targeted" barter shows. Today, this interest continues to be strong, but media buyers now realize that there is another, less attractive, side to the barter syndication picture.

For one thing, barter programs are usually not as compelling as network shows. There are exceptions (e.g., *Oprah Winfrey, At the Movies, Jacques Cousteau*), but the fact remains that most of the highest-rated barter syndication programs are either game shows, professional wrestling or reenactments of court cases. Even more to the point are the infamous barter "specials," which featured Geraldo Rivera opening Al Capone's empty vault and participating in questionable drug busts. Is it any wonder that the audience demographics for most barter programs are decidedly more downscale than those for network or cable?

Then there is the issue of audience delivery. Most barter is sold with inflated guarantees to insure that the supplier receives maximum value for the rating points actually delivered. It is a rare occurrence when a barter show overdelivers. More common is the need to negotiate for makegoods in other programing that may not have the right audience appeal or program environment. Sometimes, underdelivery triggers a cash-back situation, which means media plan rating point goals are not achieved.

To make matters worse, rating services still take an inordinate amount of time to prepare accurate rating data for many barter shows. Hopefully, people meters will help here, if and when all parties agree on a workable system.

Another problem regarding barter is the need for buyers to exercise great caution when dealing with certain syndication companies. These are usually small firms, established by an entrepreneur who has promised to do wonderful things for the creator of a program. The common result is poor administrative work, terrible clearances and, sometimes, no show at all. Such problems crop up with larger syndication firms as well, although such instances are becoming increasingly rare.

Still quite common, however, is the wide variation of market-by-market rating performance for most barter programs. Typically, a barter show's local numbers will differ by more than 50% from its national average because of the variety of time periods cleared and the quality of stations carrying the program. This makes it difficult to fulfill national media plan requirements with syndicated programing.

When using syndication to help generate awareness for a brand or product, the fact that few barter shows clear more than 85% of the nation must be considered. At the same time, the impact of relatively high commercial loads, which are typical of syndicated fare, should also be factored into the buying equation.

All of these issues need to be considered when deciding whether or not to place national advertising dollars into barter programs. If they do not negatively impact overall marketing and media objectives, then advantage can be taken of barter syndication's highly desirable ability to reach specific target audiences at relatively low cost.

Thomas H. Winner has recently been appointed a senior vice president/media director of William Esty Company, New York.

OUR READERS TELL US . . .

Has the barter boom gone bust? Research USA, Chicago, asked readers to state their intentions toward this media option. Here's what our sample had to say. (Base = 74).

1. Are you buying more or less barter programing this year compared to 1986?

More	28.4%
Less	28.4%
Same	43.2%

If "less" what is principal reason why? (Base = 21)

Poor programing	52.3%
Need higher clearances	19.0%
Better prices in network	4.8%
Better prices in national spots	9.5%
Too much commercial clutter	9.5%
Other	28.6%

(Over 100% because of multiple answers.)

2. How much of your ad budget will go into barter in 1987?

Less than 5%	67.5%
5% - 9%	17.6%
10% - 14%	6.8%
15% - 24%	5.4%
25% or more	2.7%

How much of a percentage change is this from last year?

SYNDICATORS SAY THE HEAT GOES ON

Advertiser-supported (or barter) syndication remains the fastest growing area in television today. It has grown from a $50 million business in 1976 to an estimated $650 million in 1986, a thirteen-fold increase. Many experts predict that barter syndication will exceed $1 billion annually by 1990.

Why? Simple. Syndication has provided major benefits to advertisers, television stations and producers.

Advertisers have been able to purchase first-run, network-quality (better, in some cases) programing at significant cost efficiency advantages. Even more importantly, advertisers have utilized syndication as a hedge against inflationary network pricing and it is, in large part, responsible for the stabilization of network price increases over the last several years. Syndication has clearly helped advertisers get more from the networks where the majority of national television dollars are spent.

Syndication has been able to extend reach potential by recapturing lost network shares. Over the last nine years, network shares have declined dramatically. And syndication also overdelivers A and B counties to help balance the C and D county skew found on the networks.

At LBS we refer to the term "targetcasting" for our programs. We deliver that hard to reach, younger audience that is so difficult and expensive to reach on the networks and in significant quantities far superior to the low-rated "narrowcasting" that basic cable delivers to advertisers.

Independent television stations, meanwhile, have utilized advertiser-supported syndication to help defray the cost of very expensive off-network programing, such as *Cosby* and *M*A*S*H*. In addition to barter, affiliates have discovered a bonanza with cash/barter syndication in prime access, which in many markets delivers a higher number than prime time. More importantly, barter has made available a vast number of first-run options for independent and affiliated stations that otherwise would not have been available.

Finally, producers think syndication is great! How come? When a network orders a new program, it is rarely for more than six to nine episodes at a time. If the ratings are poor, the show is cancelled quickly. Syndicators will order a whole season of new episodes upfront and the producers will also have full creative control, a luxury not available on the networks.

Critics of syndication say there are drawbacks. Sure, there are some. However, the consensus is overwhelming that syndication has been a very positive force in the evolution of the television industry. You can bet it will continue to put the heat on network.

Michael Weiden is executive vice president, director of advertising sales, LBS Communications, Inc.

A drop of 10% or more	14.9%
A drop of less than 10%	5.4%
An increase of 10% or more	10.8%
An increase of less than 10%	17.6%
No change	51.3%

3. At the recent National Association of Television Program Executives conference, tv stations bought very little new product. Does this lessen your overall interest in barter?

Yes	23.0%
No	77.0%

4. Are you bothered by the increase of commercial units in barter programs—25% more than network tv?

Yes	85.1%
No	14.9%

5. Has the rash of Chapter 11's filed by independent tv stations made you in any way less interested in barter syndication?

Yes	28.4%
No	71.6%

6. Will the people-meter controversy slow down the process of buying barter syndication this spring?

Yes	35.1%
No	59.5%
No answer	5.4%

7. Will the people-meter controversy cause you to buy syndication after network tv?

Yes	21.6%
No	74.3%
No answer	4.1%

8. Given all of the above factors, how much of a CPM increase do you expect to pay in barter (based on people-meter numbers)?

None	44.5%
Less than 5%	33.8%
5% - 9%	12.2%
10% or more	5.4%
No answer	4.1%

C2950-3
5/18/87

MARKETING & MEDIA DECISIONS

[illegible] 1987 · $4.00

NOW FOR THE BITE

People meters' bark certainly has been loud enough. Just how much will the new measurement system alter the tv buying process?

CLARION AND THE COLOR WARS

THE TABLOIDS GET RESPECT!!!

Arbitron's Spaeth
R. D. Percy's Percy
AGB's Philport
Nielsen's Dimling

***************** 5-DIGIT 20814
711 00161861 41 93
GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800 DIR
BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

COVER STORY

PEOPLE METERS: WILL THEIR BITE EQUAL THEIR BARK? 36

It's difficult not to get carried away when considering the people meter. Opinions regarding its potential impact on how tv is bought and sold, however, should be kept in check until all the facts are in. Herewith, the facts as they stand, and a look into the future.

BEING HERE NOW 45

As the debate goes on, agency media departments must decide *now* just how they're going to live with the new audience measures.

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Many media planners who find their desks cluttered with invitations to promotional parties think not. But publications insist the festivities work in fostering not only good will, but also the requisite space orders.

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Clarion has put the blush back in the color cosmetic category with a mass-minded strategy — and a counter-top computer.

TABLOIDS GET RESPECT!!! 66

Where would these publications be without the exclamation mark? Apparently, still on many national advertisers' plan as a way to round out a print buy.

MILK: ALL SHOOK UP 74

This most basic of beverages is the starting point for a number of new products. Are you ready for a milk-based, carbonated, root-beer-flavored soft drink?

SPECIAL REPORT

THE YEAR IN B-to-B 83

It's no secret things are tight. As business-to-business budgets shrink, media options expand, causing planners to think even more carefully about how they place their clients' advertising dollars.

Decisions presents the big picture, and the big spenders. Included, for the first time, is an exclusive look at *Rome Report*'s ranking of the top 100 business-to-business advertisers in 1986 (page 89), plus breakdowns of the top ten ad categories (page 92). Within these categories, we've identified the top five advertisers and the top five business publications ranked by expenditures and revenues, respectively. Capping the charts are the top ten business-to-business publication categories by percentage gain. To round out these numbers, b-to-b on tv is examined (page 99), including a guide to what's on, when and, most importantly, for how much.

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All the fizzy excitement in this market masks one fact: the players are spending a fortune to stay in the game.

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Sterling looks to put some polish on its ad campaign, Grey adds another plus to its software and Met Life gets a boost in the Hispanic community.

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Good Housekeeping's Victoria aims to fulfill the fantasies of today's overworked woman. From Murdoch, it's lights, action, *Premiere*!

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Creative solutions to business-to-business problems are demonstrated by the campaigns judged best in their fields.

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Cover photograph by Steven Begleiter

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What's does fall 1987 have to offer? Foote, Cone & Belding is the first agency to publiciy appraise the fall prime time possibilities.

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Peace reigns on at least one front in the ad/promotion battle: Promotion companies are a hot growth category in b-to-b advertising.

LAST WORD 160

One expert is beginning to believe the industry uses the wrong approach in measuring the effects of traditional media advertising.

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Some guidelines for applying creative thought to the planning process.

NEWSPAPERS *Stephen Martin* 112

How can newspapers better market themselves? Start with rates, then move on to joint media promotions.

TELEVISION *Larry Kelley* 116

Sizable economic clout does not necessarily translate into the best advertising rates.

YELLOW PAGES *William Frank* 116

All of the players — agencies, advertisers, publishers — have a lot to digest as yellow pages turn over a new leaf.

MAGAZINES *Gerald Eilers* 118

Negotiated rates can be as treacherous for a media buyer as for a publisher. For the buyer, what's in black and white turns to grey. For the seller, black can turn to red.

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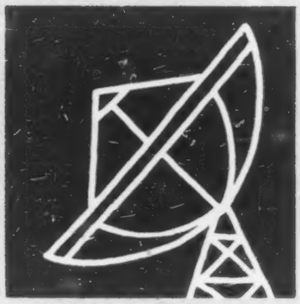
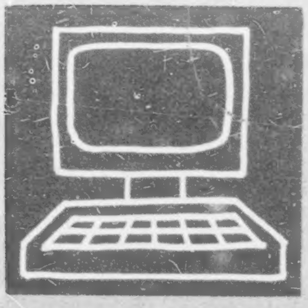
MARKETING & MEDIA DECISIONS

It's a double whammy for b-to-b media strategists: less ad dollars and more media options. Inside, your guide to the business climate, b-to-b broadcast possibilities and the ad-leading businesses, client companies and publications.



HOW BUSINESS TALKS TO BUSINESS



THE BIG SPENDERS
1986 ROME REPORT TOP 100 ADVERTISERS IN BUSINESS TRADE BOOKS

These Rome Report estimates are ranked by division; when division was unknown, ad dollars were assigned to headquarters. Ad dollars are based on one-time rates, plus color and cover considerations.

	Advertiser Name / Division	1986 trade press expenditures (000)	% change over 1985	1986 ad pages	% change over 1985
1	**Dupont Co.**	7,770.1	−22.2	1,542.1	−25.5
2	**IBM Corp.** / National Distribution	7,545.7	−10.1	980.9	17.6
3	**AT&T**	4,351.4	NA	661.8	NA
4	**Caterpillar Tractor Co.**	4,208.3	10.2	896.6	10.5
5	**Compaq Computer Corp.** / Houston, Texas, headquarters	3,993.3	−17.5	467.6	−28.6
6	**Tektronix Inc.**	3,889.1	−12.2	683.5	−7.6
7	**AT&T Information Systems**	3,730.5	−61.0	448.7	−63.0
8	**Scientific Components Corp.** / Mini-Circuits	3,709.1	11.9	824.9	9.3
9	**General Electric Co.**	3,525.3	59.3	643.4	62.4
10	**Texas Instruments Inc.**	3,441.9	−34.2	516.5	−33.5
11	**Xerox Corp.**	3,394.3	−25.3	554.3	−23.4
12	**NEC Information Systems Inc.**	3,372.3	72.8	502.9	83.9
13	**Amer. Gas Assoc.**	3,099.3	79.5	442.7	28.1
14	**Exploration Cruise Lines**	3,097.4	NA	742.0	NA
15	**AMP Inc.**	2,995.3	14.7	509.3	15.7
16	**LH Research**	2,829.9	74.5	469.0	98.7
17	**Procter & Gamble Co.**	2,766.0	0.7	324.2	0
18	**Hewlett-Packard Co.**	2,711.0	NA	509.2	NA
19	**Tyson Foods Inc.**	2,686.4	NA	337.9	NA
20	**Uncle Bens Inc.**	2,558.5	41.4	337.8	42.8
21	**AT&T Technologies Inc.**	2,540.0	132.1	398.3	136.9
22	**Eastman Kodak Co.**	2,488.0	33.8	478.2	−37.7
23	**Cullinet Software**	2,485.3	17.6	294.5	35.5
24	**SAS Institute Inc.**	2,411.9	14.0	223.4	37.7
25	**3M Co.**	2,382.1	76.2	434.6	68.2
26	**Cambro Mfg. Co.**	2,332.1	3.2	260.5	3.6
27	**National Semiconductor Corp.**	2,326.1	57.4	375.6	56.3
28	**Northern Telecom Inc.**	2,261.0	2.4	245.2	−16.9
29	**Alto-Shaam Inc.** / Halo Heat Cook / Serve / Hold Sys.	2,183.5	232.3	282.2	220.5
30	**IBM Corp.** / Nat'l Service	2,168.0	−1.0	356.5	37.5
31	**Televideo Systems Inc.**	2,109.0	−20.4	243.8	−30.6
32	**NCR Corp.**	2,102.3	69.1	351.5	104.0
33	**J.I. Case Co.**	2,084.7	121.0	547.2	115.3
34	**Triangle Publications Inc.** / TV Guide Magazine	2,010.8	10.9	334.6	29.5
35	**AST Research Inc.**	1,985.6	10.5	330.7	27.4
36	**McDonnell Douglas Corp.**	1,968.0	35.6	295.3	21.9
37	**Tandy Corp.** / Radio Shack	1,950.5	105.5	246.6	80.9
38	**AT&T**	1,938.8	NA	223.4	NA
39	**Warner-Lambert Co.** / Parke-Davis	1,928.0	54.5	344.4	47.6
40	**Armstrong World Industries**	1,897.9	60.4	313.8	53.4
41	**Veeco Instruments Inc.** / Lambda Electronics	1,856.9	1.9	307.3	3.7
42	**Hewlett-Packard Co.** / Business Computing Sys.	1,849.2	NA	183.6	NA
43	**Andersen Corp.**	1,837.2	17.8	275.0	10.9
44	**Compaq Computer Corp.**	1,836.4	NA	309.8	NA
45	**Toshiba America Inc.** / Information Systems	1,829.0	40.2	291.4	22.0
46	**Amer. Dairy Association**	1,791.1	NA	183.0	NA
47	**Hitachi America Ltd** / Semiconductor & IC Sales & Serv.	1,785.8	0.05	309.3	3.3
48	**John Fluke Mfg. Co. Inc.**	1,759.1	51.5	298.6	−8.3
49	**Carnation Co.**	1,732.0	49.2	195.1	−33.7
50	**Hall-Mark Electronics Corp.**	1,714.8	53.0	291.9	83.0

Source: 1986, 1985 Rome Report

NA = Not applicable; no division comparison available

THE BIG SPENDERS
1986 ROME REPORT TOP 100 ADVERTISERS IN BUSINESS TRADE BOOKS

	Advertiser Name / Division	1986 trade press expenditures (000)	% change over 1985	1986 ad pages	% change over 1985
51	**Digital Equipment Corp.**	1,707.9	−30.4	195.6	−33.7
52	**Omega Engineering Inc.**	1,704.9	27.1	221.0	26.3
53	**Oracle Corp.**	1,639.9	NA	175.6	NA
54	**Hearst Corp.**	1,603.3	15.7	227.7	11.3
55	**ICI Americas Inc.** / Stuart Pharmaceuticals	1,603.2	−11.4	291.0	− 2.3
56	**Glaxo Inc.**	1,575.3	44.5	324.8	40.3
57	**Quaker Oats Co.** / Food Service	1,572.7	8.7	200.8	− 7.8
58	**AT&T Network Systems**	1,542.3	−22.1	348.1	−40.3
59	**Owens-Corning Fiberglas Corp.**	1,541.4	NA	262.6	NA
60	**Sugar Foods Corp.**	1,537.5	22.2	190.0	15.2
61	**Panasonic Industrial Co.**	1,506.7	11.0	383.6	29.3
62	**Del Monte Corp.**	1,500.8	180.9	153.0	200.0
63	**Pierce Foods Corp.**	1,485.0	81.5	184.1	84.0
64	**Dow Jones & Co.** / Wall Street Journal	1,483.2	57.9	241.7	66.2
65	**Avis Rent-A-Car System Inc.**	1,474.5	NA	399.3	NA
66	**Equipto Co.**	1,459.9	NA	203.1	NA
67	**Software AG of North America Inc.**	1,442.8	4.3	148.3	20.3
68	**Inmos Corp.**	1,429.1	116.8	230.0	101.8
69	**RCA Corp.** / Solid State	1,424.0	NA	238.0	NA
70	**Lotus Development Corp.**	1,422.0	60.5	150.6	48.5
71	**Hayes Microcomputer Prod. Inc.**	1,410.0	87.5	180.0	93.5
72	**Bell Atlantic Corp.**	1,403.4	159.8	193.9	179.7
73	**Alamo Rent-A-Car**	1,395.1	NA	282.5	NA
74	**United Airlines**	1,394.1	NA	304.8	NA
75	**Rich Products Corp.**	1,370.2	28.0	225.1	46.1
76	**Fairchild Semiconductor Corp.**	1,366.0	NA	217.6	NA
77	**Kapco Inc.**	1,351.7	10.6	234.1	0.04
78	**Data General Corp.**	1,341.2	124.6	179.7	225.5
79	**Princeton Graphic Systems**	1,334.8	37.5	139.6	18.8
80	**Alps America**	1,332.6	NA	145.0	NA
81	**Ford Motor Co.** / Parts & Service	1,331.0	42.2	218.0	70.3
82	**Intel Corp.** / Literature Dept.	1,330.1	8.6	238.0	3.5
83	**CPC Int'l. Inc.**	1,303.4	7.5	165.0	− 2.4
84	**Control Data Corp.**	1,302.8	−41.1	196.6	−39.1
85	**Advanced Micro Devices Inc.**	1,302.7	−33.4	214.0	−32.1
86	**3M Co.** / Commercial Chemicals	1,296.8	2.9	222.0	− 6.7
87	**WR Grace & Co.** / Cryovac	1,296.2	38.6	125.8	33.0
88	**General Motors Corp.** / AC-Delco	1,296.0	9.9	201.2	13.6
89	**Borland Int'l**	1,293.4	−17.7	197.2	40.7
90	**Toshiba America Inc.**	1;289.5	− 1.2	218.6	− 4.0
91	**Holland America Line**	1,277.8	NA	303.4	NA
92	**Goodyear Tire & Rubber Co.**	1,273.7	54.3	234.0	52.9
93	**Wyse Technology** / Marcom Dept.	1,269.1	53.1	167.0	101.2
94	**Ciba-Geigy Corp.** / Geigy Pharmaceuticals	1,264.7	179.6	273.0	160.0
95	**Hobart Corp.**	1,257.9	3.5	132.7	25.7
96	**Honeywell Inc.** / Micro Switch	1,255.6	14.1	187.6	4.5
97	**Beatrice Grocery Group**	1,249.4	NA	145.0	NA
98	**Intergraph Corp.**	1,232.1	106.4	214.2	91.1
99	**Square D Co.**	1,222.9	−15.7	185.7	−19.9
100	**Ethyl Corp.** / Chemicals Group	1,213.7	11.9	235.0	− 2.1

Source: 1986, 1985 Rome Report

NA = Not applicable; no division comparison available

THE BUSINESSES, THE BUYERS, THE BOOKS

TOP FIVE ADVERTISERS

	Company	Ad Revenues (000)	% change 1986/1985	% change 1985/1984	Pages	% change 1986/1985	% change 1985/1984
AUTOMATIC DATA SYSTEMS	•IBM Corp. (Montvale, N.J.)	5,153.1	+936.2	*	567.5	+121.8	*
	AT&T Info Systems (Jacksonville, Fla.)	3,403.0	−42.3	+136.7	378.7	+2.2	+91.4
	Compaq Computer (Houston, Tx.)	3,229.2	+15.7	+159.6	350.7	+18.2	+230.5
	NEC Information Systems (Boxborough, Mass.)	2,983.5	+82.9	+11.3	443.9	+103.2	+2.8
	SAS Institute (Cary, N.C.)	2,380.7	+12.5	+68.5	212.4	+30.9	+48.6
ELECTRONIC ENGINEERING	Scientific Components (Mini Circuits) (Brooklyn, N.Y.)	3,709.2	+11.9	−26.1	824.9	+9.3	−35.6
	LH Research (Tustin, Calif.)	2,829.9	+74.5	NA	469.0	+98.7	NA
	Tektronix (Beaverton, Ore.)	2,815.4	+6.0	−7.0	514.5	+4.9	−14.8
	National Semiconductor (Santa Clara, Calif.)	2,305.9	+96.8	−7.6	377.0	+99.5	−18.2
	ATT Technologies (Allentown, Pa.)	2,103.5	+139.8	NA	335.0	+48.1	NA
RESTAURANTS & FOOD SERVICE	American Gas Assn.	3,065.9	+155.4	*	437.0	+104.2	*
	Tyson Foods	2,686.4	+218.2	*	337.9	+215.0	*
	Uncle Ben's	2,558.5	+41.4	+107.5	337.8	+42.8	+77.4
	Cambro Manufacturing	2,332.1	+3.2	+0.5	260.5	+3.6	−19.8
	Procter & Gamble	2,021.0	+4.7	+27.6	225.8	+4.2	+20.7
AUTOMOTIVE-RELATED GOODS & SERVICES	Ford Motor (Parts & Service Div.)	1,031.9	+47.5	−12.3	178.0	+76.2	−30.8
	MOOG Automotive	907.7	+17.3	+49.2	140.3	+17.6	+24.0
	General Motors (AC-Delco Div.)	849.4	+9.5	+20.0	125.0	+8.7	+2.7
	Champion Spark Plug	799.4	−33.5	+51.8	132.0	−25.8	+35.9
	TRW (TRW Replacement Div.)	791.8	+53.6	−1.9	127.4	+62.8	−26.4
AVIATION & AEROSPACE	McDonnell Douglas	1,605.7	+51.8	+30.0	233.1	+47.5	14.5
	Beech Aircraft	853.9	−5.7	+72.1	86.0	−9.5	[illegible]
	King Radio	699.1	−49.1	+68.7	78.8	−45.1	+81.4
	Cessna Aircraft	537.6	−9.6	+76.3	47.0	−16.1	[illegible]
	Atlantic Aviation	532.6	+41.1	−51.3	63.5	+31.3	[illegible]

* No data, 1985, 1984
• Tabloids
NA – Not applicable

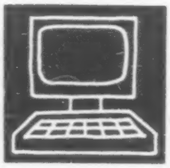
Presenting, in descending order, the top ten Standard Rate & Data Service categories as ranked by Rome Report's 1986 trade book ad investment estimates. Under each heading are the year's top five advertisers by dollars invested and the top five magazines by total ad revenues. A historical perspective is provided via plus or minus percentages for dollars and pages. Rankings are by division, when available, and ad expenditures are determined by one-time rates, with consideration for color or cover positioning. The last entry identifies the hottest trade magazine categories by revenue gain in 1986.

TOP FIVE PUBLICATIONS

Magazine Title	Ad Revenues (000)	% change 1986/1985	% change 1985/1984	Pages	% change 1986/1985	% change 1985/1984
•Computerworld	49,242.2	+12.1	−9.1	4,044.8	+30.2	−19.8
Byte	34,668.9	+8.0	+0.9	3,338.7	−0.7	−8.7
Datamation	20,031.9	−12.2	+11.8	1,988.2	−19.3	+1.8
Computer Reseller News	18,878.5	*	*	4,260.8	*	*
Personal Computing	16,529.0	−10.8	−4.3	1,556.0	−8.0	−8.8
EDN	29,521.9	+0.7	+0.8	4,937.1	−7.6	−8.6
Electronic Design	25,182.2	−6.7	−7.2	4,108.6	−11.4	−1.9
•Electronic Engineering Times	22,533.1	+5.9	+43.0	3,140.5	+30.4	+28.2
•Electronic News	15,859.8	−21.3	−13.9	2,362.0	+5.3	−22.1
•Electronic Buyer News	4,677.8	−9.3	−11.7	2,807.5	+4.1	−13.4
Restaurant & Institutions	43,035.1	+6.5	+17.8	4,355.8	+0.2	+6.1
Restaurant Business	23,462.1	+11.3	+16.3	2,936.9	+1.4	+3.3
Nation's Restaurant News	22,831.1	−0.3	+26.2	2,587.5	+22.5	+23.7
Restaurant Hospitality	9,413.8	+9.5	+24.8	1,271.5	+1.2	+9.3
Institutional Distribution	9,166.6	+10.1	+13.4	1,692.4	−2.3	+1.3
•Automotive News	11,165.4	−2.2	+16.6	1,819.8	+13.8	+1.6
Motor	5,024.2	+3.3	+24.5	618.8	−4.0	+14.6
Automotive Industries	4,465.6	+23.7	+45.7	781.1	+15.9	+26.9
Automotive Marketing	4,018.5	+11.2	+2.0	716.0	+4.4	−8.7
Motor/Age	4,007.7	+7.3	+16.7	506.1	+7.4	+8.0
Aviation Week	25,934.8	−9.8	+17.4	2,912.0	−9.3	+5.0
Business and Commercial Aviation	10,220.5	−5.4	+2.7	771.5	−9.9	−6.8
AOPA Pilot	4,952.8	+8.2	*	488.3	+1.9	*
Air Transport World	4,535.5	+0.1	+25.5	854.5	−4.8	+15.4
Air Force	3,642.7	+9.7	+11.1	704.3	+4.9	−0.4

1986 Ad Revenue Total: $270.9 million

% Change, 1986 vs. 1985: −1.7%



1986 Ad Revenue Total: $220.0 million

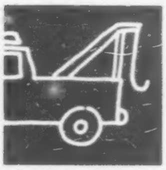
% Change, 1986 vs. 1985: −5.2%

1986 Ad Revenue Total: $133.6 million

% Change, 1986 vs. 1985: +6.3%

1986 Ad Revenue Total: $76.1 million

% Change, 1986 vs. 1985: +2.8%



1986 Ad Revenue Total: $63.1 million

% Change, 1986 vs. 1985: −4.5%

TOP FIVE ADVERTISERS

	Company	Ad Revenues (000)	% change 1986/1985	% change 1985/1984	Pages	% change 1986/1985	% change 1985/1984
BUILDING	Anderson	1,067.5	+13.6	+21.5	146.7	+0.7	+12.4
	Masonite	786.4	+216.5	NA	87.0	+200.0	NA
	Owens-Corning Fiberglas	780.0	−14.7	−36.3	110.0	−20.3	−37.8
	Merillat Industries	708.4	+36.2	−14.2	106.6	+23.3	−22.5
	Georgia-Pacific	698.4	+29.7	+8.7	99.0	+7.6	+19.5
METAL, METALWORKING & MACHINE	Cincinnati Milacron	571.0	+22.0	−12.8	135.0	+19.5	−27.1
	Carpenter Technology (Carpenter Steel Div.)	396.1	−20.6	−2.7	75.0	−21.9	−11.9
	Kennametal (Machining Systems)	361.1	+108.7	NA	84.0	+95.3	NA
	IBM	323.7	*	*	64.0	*	*
	Machine Tools of Spain	312.5	+333.3	*	56.8	+229.4	*
PRODUCT DESIGN ENGINEERING	Dupont	1,280.8	−11.6	*	190.2	−22.8	*
	3M (Commercial Chemicals Div.)	802.8	+4.6	+3.1	124.0	−1.6	−6.0
	Penton/IPC (Education Div.)	559.9	NA	+175.0	102.3	NA	+100.2
	Klinger Scientific	448.9	481.8	+71.1	67.1	+318.8	+100.0
	Square D	438.6	−2.7	+3.7	63.5	−0.5	−1.6
CHEMICALS & CHEMICAL PROCESSING	Ethyl Corp. (Chemical Group)	993.5	+3.3	+108.0	187.0	−11.4	+102.9
	Air Products & Chemicals	593.5	+71.9	+141.3	73.5	52.1	+108.7
	American Chemical Society	457.0	+162.2	*	67.3	NA	*
	Amoco Chemical	345.6	+42.6	+11.0	46.7	+48.4	+0.5
	Air Chemical Society (Distribution Dept.)	313.3	*	*	41.9	*	*
TELECOMMUNICATIONS TECHNOLOGY	AT&T Network Systems	1,525.2	−20.2	+89.3	345.8	−39.8	+36.8
	AT&T (could not determine division)	1,167.4	*	*	214.5	*	*
	NEC America (Radio & Transmission Div.)	891.1	+110.1	+177.1	196.5	+102.1	+142.5
	AT&T Technologies	862.7	*	*	204.4	*	*
	MCI Communications	558.4	+708.7	*	102.0	+884.6	*

The 10 Fastest Growing Business-to-Business Publication Categories (Ranked by Percentage Gain)

SRDS	Category	1986 Ad Revenues (000)	% change over 1985
87	Medical and Surgical	$18,005.8	+23.2%
132B	School Administration	9,210.4	+22.1
36	Drugs, Pharmaceuticals	35,995.7	+20.3
95	Motion, Talk, Sound, Commercial Pictures, etc.	2,079.3	+19.9
78	Laundry and Drycleaning	2,520.4	+17.9

* No data, 1985, 1984
* Tabloids
NA—Not applicable

TOP FIVE PUBLICATIONS

Magazine Title	Ad Revenues (000)	% change 1986/1985	% change 1985/1984	Pages	% change 1986/1985	% change 1985/1984
Professional Builder	15,899.3	+26.1	+12.1	1,693.8	+17.1	+0.9
Builder	12,114.8	+18.4	+15.7	1,176.5	+25.3	+2.8
•National Home Center News	9,914.9	+0.2	+23.8	1,428.9	+21.4	+11.7
Building Supply Home Centers	5,680.1	−20.7	+0.2	1,097.6	−27.4	−8.4
Home Center	3,849.5	−17.2	+21.3	819.8	−26.4	+12.1
American Machinist	6,526.9	−22.3	+9.5	1,387.8	−7.2	+0.3
Modern Machine Shop	5,699.2	+20.4	+19.0	2,385.8	+10.9	12.0
Iron Age	5,211.1	−17.8	+6.4	820.8	−21.8	−7.3
Tooling & Production	4,491.5	−12.2	+5.0	1,221.5	−19.4	−4.2
Machine & Tool Blue Book	4,485.3	+33.8	+37.7	1,215.5	+18.9	−10.1
Machine Design	23,361.4	+5.6	+1.1	3,767.9	−1.0	−4.6
Design News	20,885.8	+14.2	+3.0	3,225.0	+6.4	−4.1
•Product Design & Development	7,356.3	+53.6	−25.6	679.2	+55.0	−27.2
Plastic Design Forum	2,317.5	+24.8	+17.4	453.7	+3.7	+6.1
Design Graphic World	828.5	+14.8	+9.1	227.1	+10.2	+1.0
•Chemical Engineering	10,143.9	−0.2	+2.8	1,661.8	−6.3	−1.2
Chemical Week	8,771.7	+6.1	+14.9	1,119.9	−2.8	+4.9
Chemical & Engineering News	5,988.5	+8.8	+10.4	752.7	+4.4	−10.0
Chemical Processing	5,537.3	−16.9	−2.2	1,112.2	−23.2	+11.4
•Chemical Equipment	4,469.0	−6.8	+5.6	539.7	−2.0	+2.4
Communication Week	16,624.8	+58.3	*	1,880.7	+51.0	*
Telephony	8,450.4	+10.3	−12.8	2,939.6	−0.8	−8.5
Telephone Eng. & Mngt.	5,823.7	+1.4	−11.3	2,039.1	−9.4	−1.9
Telecommunications	5,804.8	−5.5	+13.2	964.3	−14.5	+22.4
•Communications News	4,133.0	−31.9	−15.3	527.1	−29.7	−22.8

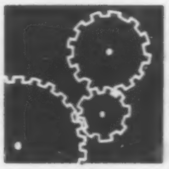
SRDS	Category	1986 Ad Revenues (000)	% change over 1985
114	Plastics and Composition Products	$21,573.1	+39.2%
54	Furniture and Upholstery	6,956.9	+32.0
10	Banking	30,192.7	+28.1
115B	Pollution Control (Air & Water)	4,843.7	+26.1
34	Control and Instrumentation Systems	26,289.1	+24.1

1986 Ad Revenue Total: $59.5 million

% Change, 1986 vs. 1985: −2.4%

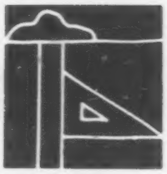
1986 Ad Revenue Total: $58.6 million

% Change, 1986 vs. 1985: +1.0%



1986 Ad Revenue Total: $55.3 million

% Change, 1986 vs. 1985: +14.4%

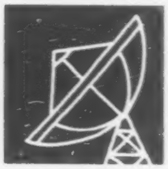


1986 Ad Revenue Total: $47.4 million

% Change, 1986 vs. 1985: −6.3%

1986 Ad Revenue Total: $47.1 million

% Change, 1986 vs. 1985: +11.6%



"The audience is so targeted that we actually reach our target decision m

ning yet another addition to its seven-show business lineup, a personal investing show called *Marketline*. "But when everybody jumped on the bandwagon," says John Barbera, senior vice president, head of sales for CNN, "our growth slowed." That proved to be fatal news for *Marketline*. Barbera says revenue growth for the current CNN business shows fell this year to 18% from last year's torrid 55% increase. (Almost all of this year's jump is from price increases.)

But despite the category's woes, there remains an encouraging well of interest. In fact, some media experts say they would like to see — and would support — some additional shows, if only someone would air them. Debra Kassidis at William Esty puts almost 5% of the Travelers television budget into business shows. "We sponsor the small-business segment on *Nation's Business Today*," she says, "and we'd like to see someone devote a whole show to small business. And one to working women. I've been suggesting a new show to CNN without any luck. The broadcasters think they've filled the need, but I don't know if they realize how much viewers have changed."

Kassidis says the media opportunity is so exceptional that business-to-business advertisers who have thus far avoided tv should hurry up and come

A BUSINESS BUYER'S GUIDE TO BROADCAST AND CABLE

CABLE

Cable News Network

Programs: Weekday programs include *Business Morning, Business Day, Moneyline, Your Money* and *Market Updates*. Weekend shows: *Money Week, Pinnacle, Inside Business*.
Description: Cable network provides indepth analyses, interviews, commentaries and panel discussions pertaining to market news. Previews of market performance based on earlier foreign trading. Personal finance. Corporate executive profiles.
Time periods: 6:30 a.m.-11:30 p.m., Monday-Friday; 9:30 a.m.-11:30 p.m., weekends.
Markets: top 100.
Ratings: 0.4 - 1.7.
30-second commercial: $1,450-$3,900; *Market Updates:* $642.
CPM: $9-$11, depending upon the show; $2: *Market Updates*.
Advertising categories: corporate image, insurance, commercial real estate, financial services, industrial.
Revenues: $13 million-$15 million in 1986; expected to increase 18% in 1987.

ESPN

Program: *Nation's Business Today*.
Description: CEO close-up's, technology updates, money matters, weather and sports. Produced by Biznet, a division of the U.S. Chamber of Commerce.
Time periods: 6:30 a.m.-8:30 a.m. Monday-Friday; three updates each evening.
Markets: top 100.
Ratings: 0.2-0.3.
30-second commercial: $750.
CPM: $2.
Revenues: not available.
Advertising categories: corporate image, automotive, banking, life insurance, credit cards, beers, airlines, rental cars, hotels, computers, insurance brokerage.

Financial News Network

Programs: Include *International Market Report, World Business Update, Business Focus Programing, FNN Morning News, Morning Marketline, Consumer Corner, Wall Street Countdown, Money Talk* and *Wall Street Final*.
Description: cable network with 18 programs providing financial news and information geared to investors and potential investors in Wall Street, commodities, real estate, bonds, etc.
Time periods: 6 a.m.-7 p.m., Monday - Friday.
Markets: top 100.
Ratings: 0.4-0.6.
30-second commercial: $500-$1,000 depending upon the show.
CPM: $3.50-$4.50.
1986 Revenues: $11 million; expected 1987 Revenues: $12 million-$15 million.
Advertising categories: Direct response, program segment sponsorship sales, and national advertising, including automotive, electronic equipment, financial, travel, credit cards and commodity services.

LOCAL STATIONS

NBC O&O's

* **Program:** *Strictly Business*.
Description: Local program produced by WNBC-TV, New York and fed to O&O stations in Los Angeles, Chicago, Washington, D.C. and Cleveland. Syndication handled by LBS up until March. Analysis of week's business news.
Time: 7:00 - 7:30 p.m., Saturday.
Markets: Five.
Ratings: 5.4 (New York market).
30-second commercial: not available.
CPM: not available.
Revenues: not available.
Advertising categories: brokerage houses, financial institutions, auto manufacturers, communications and airlines.

NETWORK

ABC

Program: *Business World*.
Description: Guests discuss week's major business and financial news and preview

kers at a discount."

aboard. "First," she says, "the audience is so concentrated that we actually reach our target decision makers at what amounts to a discount. You're also getting people with a serious commitment to the subject and you're getting the power of the medium." Furthermore, she adds, "Business tv is a terrific way to extend your reach against light viewers and to increase your frequency against the target you hit with sports and news."

But where are these dollars coming from? In a sluggish ad environment, isn't someone getting hurt? "The dollars we put into the business shows," says Watson of AT&T, "generally come from network fringe, news and prime time, and perhaps from local as well."

Weissenberger says many advertisers like U.S. Sprint have gradually been moving away from news because it is "expensive and skews older and female." She says U.S. Sprint's absence from business books for the first quarter of 1987, however, had nothing to do with the decision to rev up spending on business tv. "It was just a strategic decision," she says.

Although, by allegedly strict media definition, ad money for business tv shows almost always comes from "tv money," or dollars used more to project image than to actually sell, the sit-

xt week's investment news. Entrepre-
arial tips.
me periods: 11:00 a.m.-11:30 a.m.,
nday; 12:30 p.m.-1 p.m., Sunday.
rkets: 100.
tings: 1.7.
second commercial: $10,000.
M: $6.70.
venues: $6.2 million.

ogram: *Business Brief.*
scription: business updates of current
vs.
me periods: one-minute insert in prime
e, Monday-Friday.
rkets: 190.
tings: 11.5.
second commercial: $45,000.
M: $4.48 (15 second).
venues: $5.9 million.
ote: Figures relate to network sales; net-
rk sales time Tues., Thurs., and alter-
e Mondays/local stations: Wednesday,
day and alternate Mondays.).

ogram: *World News This Morning: The
siness Report*
scription: financial and economic re-
ts, breaking news from overseas mar-
s.
me periods: 6:15 a.m.-6:30 a. m., Mon-
-Friday.
rkets: 113.
tings: 1.4.
second commercial: $2,500.
M: $2.04.
venues: $3.9 million.
vertising categories: computers, tele-
nmunications, hotels, automotive, credit
ds, banking, insurance.

Wall Street Journal/NBC
Program: *Before Hours.*
Description: 15-minute recaps of foreign and domestic market news, also a weather report. Began in March.
Time periods: 5:45 a.m.-6:45 a.m., Monday-Friday.
Markets: 106.
Ratings: 0.5.
30-second commercial: Not available.
CPM: not available.
Revenues: not available.
Advertising categories: Has sold two half-sponsorships (two 30-second commercials) to Stouffer Hotels and Financial Services.

PUBLIC TELEVISION
Program: *Adam Smith's Money World.*
Description: Produced by Channel 13, New York. Thumbnail sketches attempt to demistify the week's economic news.
Time periods: 6 p.m.-6:30 p.m. Saturday, 6:30 p.m.-7:00 p.m. Sunday. In New York: 8:30 p.m., Monday.
Markets: 219.
Ratings: 0.2.
Underwriting cost: 52-week series of shows for $1.3 million.
Sponsor: Metropolitan Life.

Program: *Nightly Business Report.*
Description: Produced by WPBT in Miami, Fla. Day's market news with attention to political influences.
Time periods: 6:30 p.m. Monday-Friday, but runs other times at individual station discretion.
Markets: 260.
Ratings: 0.2.
Underwriting cost: Undisclosed.
Sponsors: Kidder Peabody, Digital Equipment.

Program: *Wall Street Week.*
Description: Produced by Maryland Public Television. A look at investing and anything that affects it, with one guest per week.
Time periods: 8:30 p.m. Friday, runs other weekend times at discretion of local station.
Markets: nearly 300.
Ratings: 4.0-5.0.
Underwriting cost: Undisclosed.
Sponsors: American Can Company, Prudential Bache Securities and Hanson Trust.

SYNDICATION
Today's Business Inc.
** **Program:** *Today's Business.*
Description: Recently dropped by syndicator, Buena Vista. Recap of market news, economic and financial reports.
Time periods: 6 a.m.-6:30 a.m., Monday-Friday and weekend mornings.
Markets: 144.
Ratings: 1.4.
30-second commercial: $5,000.
CPM: $3.
Revenues: $3.3 million (September - 29, 1986 - April 1987)
Advertising categories: Airlines, media, telecommunications, computers, financial services, auto manufacturers.

*Recently dropped from syndication, but airs on NBC O & O stations

**Recently dropped from syndication

Rebecca Fannin

Source: Suppliers; *M&MD.*

BRAND REPORT

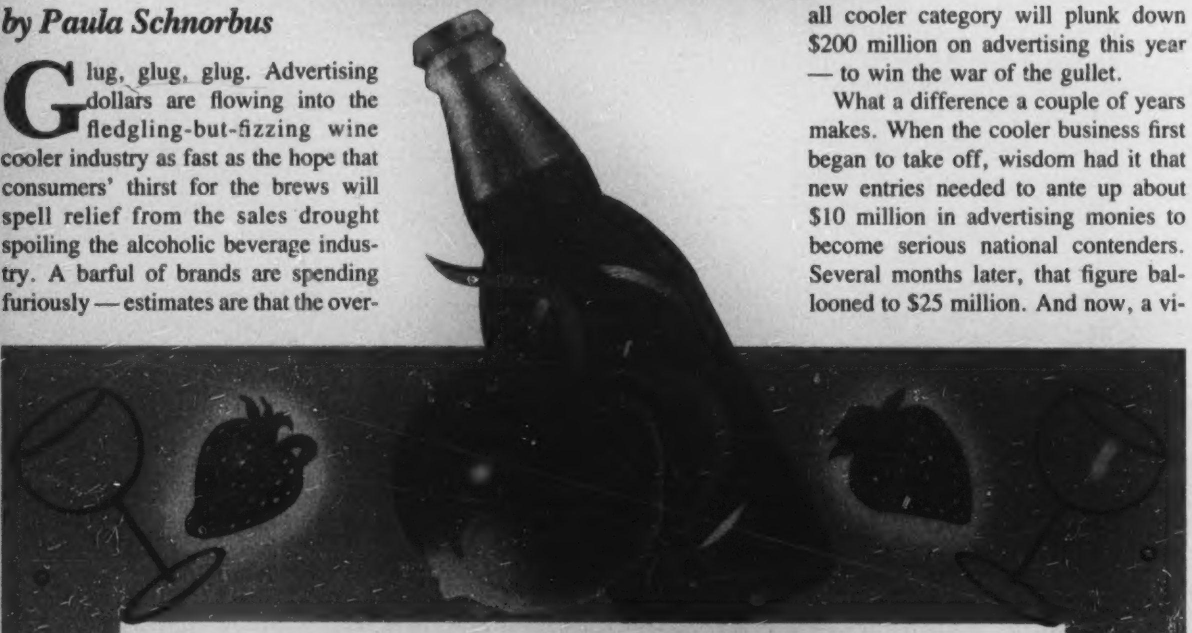
No. 142: Wine Coolers

COOL(ERS) AND THE GANG

by Paula Schnorbus

Glug, glug, glug. Advertising dollars are flowing into the fledgling-but-fizzing wine cooler industry as fast as the hope that consumers' thirst for the brews will spell relief from the sales drought spoiling the alcoholic beverage industry. A barful of brands are spending furiously — estimates are that the overall cooler category will plunk down $200 million on advertising this year — to win the war of the gullet.

What a difference a couple of years makes. When the cooler business first began to take off, wisdom had it that new entries needed to ante up about $10 million in advertising monies to become serious national contenders. Several months later, that figure ballooned to $25 million. And now, a vi-



JENNY ADAMS

WINE COOLERS 1986 MEDIA EXPENDITURES (000)

	Media Total	Magazines	Newspapers*	Network Television	Spot Television	Network Radio	Outdoor	Cable TV Networks	Spot Radio**
Bartles & Jaymes	31,173.4	–	82.5	26,582.6	3,759.6	–	–	27.2	721.4
Seagram's Coolers	27,720.4	836.2	894.7	21,123.6	2,510.1	1,859.0	–	335.5	161.3
California Cooler	22,195.2	–	–	18,137.3	2,538.2	–	415.1	505.1	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	–	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Source: Leading National Advertisers; LNA lists no spending in Sunday magazines for profiled brands; *Media Records; **Radio Expenditure Reports* able competitor must duke it out with no less than $40 million to stay in the ring. But there's good reason: Since the fruit and wine mixture was first marketed in 1981, coolers have burgeoned into a $1.7 billion business, or an estimated 75 million case depletions in 1986, according to *Impact* Databank, which tracks the wine and spirits industry.

While advertising expenditures have been mushrooming, the variety of coolers has been mutating. Because liquor laws prohibit wine-based products in certain states, malt-based coolers have been rolled out. Some of these are finding favor in the field. Stroh's White Mountain Cooler, for instance, has grabbed the fourth spot in the overall cooler market with a 10.3% estimated market share.

Spirit-based coolers also have hit the cold boxes in liquor stores. Indeed, it's getting to the point where the number of cooler flavors is beginning to mimic the ice cream options in a Baskin-Robbins store. A cooler may be the traditional white wine and fruit juice combo, chocolate, or for those who don't like their whiskey straight, there is a Jack Daniel's Tennessee Cooler.

But even more mind-boggling is the number of cooler entries in the marketplace. In 1985, there were about 150 brands in the U.S., according to Beverage Marketing Corp. But the predicted shakeout has begun and currently, there are about 125 to 135 coolers still battling it out for limited shelf space. Wine coolers dominate the field and account for at least 100 of the remaining brands.

The cooler craze started in 1981 when Stuart Bewley and Michael Crete's wine cooler "formula" outdrew a keg of Michelob at a party. Their California Cooler — which was bought by Brown-Forman Corp. in 1984 for $55 million in cash plus another $83 million, if volume meets expectations — was created with a health and drunk-driving-conscious society in mind. Wine coolers contain fruit juice and are lower in alcohol content than most alcoholic beverages. The beverage is aided by the myth that it is lower in calories, although a cooler has 200 to 270 calories per 12-ounce bottle.

Noting the success of this backyard invention and the dispiriting sales of spirits, distillers and vintners began mixing their own concoctions, leading up to the staggering number of brands on the market today. The leader of the pack, or the "four-pack" as coolers are sold, is E&J Gallo Winery with its phenomenally successful Bartles & Jaymes wine cooler (see *M&MD*, March 1987). Gallo entered the cooler wars just two years ago, armed with a fat ad budget and a clever campaign featuring a couple of droll "spokesmen" named Frank Bartles and Ed Jaymes. It didn't hurt that Gallo possesses a mighty distribution system and salesforce capable of kicking the other cooler contenders behind the knees.

While rival companies produced more and more line extensions of cooler flavors, Bartles & Jaymes, with its singular flavor, lapped up market share. In 1986, *Impact* Databank reports Bartles & Jaymes' market share at 22.7% and California Cooler's at 17.3%, a near transposition of their 1985 market shares, which were 17.5% for Bartles & Jaymes and 26.8% for California Cooler.

Speculation abounds as to why California Cooler was unseated as the biggest brand, aside from Gallo's extremely effective ad campaign. One theory is that Bartles & Jaymes isn't pulpy with fruit, and its packaging more closely resembles a wine bottle. California Cooler also had distribution problems. Beer distributors were used initially, and although their visits to retailers were frequent, their territories were smaller than wine distributors. Sometimes several beer distributors — each with a different price — would call on a supermarket chain, while one wine distributor would call with one price. And, *Impact* Databank reports that California Cooler was the most expensive of the big cooler brands in 1986 at $3.80 a four-pack.

Meanwhile, Joseph E. Seagram & Sons Inc. sold off most of its wine holdings for about $200 million in cash to concentrate on its premium wines and, the company says, make a "major commitment to wine coolers, which is the most rapidly growing segment in the beverage alcohol business." The company has been hustling its products via *Moonlighting*'s Bruce Willis. Asked if the coolers currently are a profitable business, given the exorbi-

THE REAL STUFF

California Cooler, the original, calls itself "The Real Stuff."

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Placing an 800 "call to action" number in your advertising encourages your prospects to immediately pursue interest in your product or service.

Dialogue Marketing will do the rest:

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Report—A variety of reports will keep you and your dealers accurately informed of sales leads, media effectiveness, and referral results.

Our clients are leading **brand name** manufacturers of automobiles, consumer electronics, aircraft, heating & air conditioning systems, business machines, appliances, and building materials.

As the nation's oldest and largest In-WATS referral service, over 200 major manufacturers depend on us . . . day and night. Find out how your company can benefit from our experience. Use our "call to action" and contact Don Dadds Toll-Free at:

1-800-248-2280

DIALOGUE MARKETING 800

RUPPMAN MARKETING SERVICES, INC.

1909 E. Cornell, Peoria, Illinois 61614

tant amounts spent on advertising, Henry Hawley, vice president, product group director for Seagram Wine Co., replies, "It is a business with an enormously bright future."

Howard Jacobson, director of marketing at Canandaigua Wine Co., which markets Sun Country coolers, says, "We hope that there will be money to be made some day." Pointing to heavy wine cooler expenditures, he adds, "We're hoping in the short term that we may be able to generate some profits."

In their short existence, wine coolers have been traditionally pitched to people in their 20's. That means network and cable tv advertising, especially on MTV, has been popular. Eye-catching packaging and point-of-display materials, including stacker cards and case cards, are also used extensively to market the beverages. Some companies have pitched products specifically to women because they have been more receptive to coolers. Supermarket liquor buyers say shelf space — which is getting increasingly harder to secure — is determined by who is selling the most. Gallo's introduction of a new red wine cooler won't help matters. "The question is who is going to come off the shelf," says Michael Bellas, president of Beverage Marketing Corp.

Consequently, coolers are setting off in different directions. Some of the big brands are being pitched to a broader age group. They also may be advertising year-round rather than just during the summer months. Other companies, rather than pumping up their ad budgets, are finding regional niches. It is probably a good idea since it is estimated that eight wine coolers with national distribution had almost 80% of the market share in 1986.

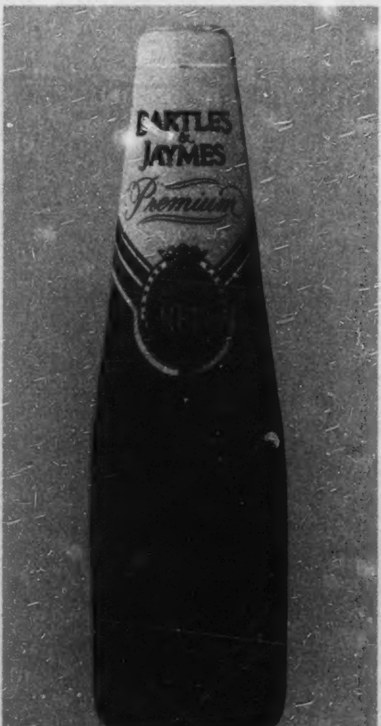
Some wonder if coolers are a fad like the pop wines of some 15 years ago. Back then, Boone's Farm — out of Gallo — was a big deal. David Brennan, beverage alcohol buyer for Von's Grocery Co., El Monte, Calif., thinks coolers will last longer than the six-year pop wine fad, but he maintains, "I still sell a lot of Boone's Farm."

Following are the eight top wine coolers according to estimated market share in 1986 as reported by *Impact* Databank. They are Bartles & Jaymes with 22.7%; California Cooler, 17.3%; Sun Country, 13.3%; Calvin Cooler, 7.6; Seagram's Premium Wine Cooler, 7.1%; Seagram's Golden Wine Cooler, 5.3%; 20/20 Wine Cooler, 2.4%; and Dewey Stevens Premium Light, 2%.

BARTLES & JAYMES

The long-awaited line extension from Gallo's Bartles & Jaymes original white wine and citrus flavor is finally here. The new Premium Red is being rolled out with "spokesman" Frank Bartles encouraging consumers to "Try Ed's new premium red." Ed, of course, is his "silent partner," Ed Jaymes.

Introductory materials explain that the public is interested in flavored wine coolers, but "no flavored wine cooler has maintained high sales levels over an extended period of time." Gallo cites a Nielsen scantrack that shows orange-flavored cooler case sales — which have the longest sales history of all flavored coolers — have declined 13% from summer 1985 to summer 1986. Sales of the flavor known as "tropical" are shown to have a rocky sales curve that peaked about a year ago and has dipped ever since. Most



Bartles & Jaymes' new red wine cooler is hitting the shelves.

interesting are sales of peach wine coolers, which was the "bandwagon" flavor within the past year. Nielsen's scantrack shows that sales climbed until December and now appear to be dropping off.

Gallo also says its research shows that flavored wine coolers currently aren't rated light or thirst quenching enough.

Hal Riney & Partners Inc.'s new creative featuring "Frank and Ed" reportedly has about 1,200 GRP's behind it. The media schedule is expected to include *Murder, She Wrote, The Tonight Show,* Joan Rivers' *The Late Show, The Colby's, Saturday Night Live,* specials and late-night movies. One source said of the two Bartles & Jaymes flavors, only Ed's Red will be advertised during May and June.

Gallo is also experimenting with cosponsoring promotional events, "something many other people have been involved with for several years," says a Gallo spokesman. This is quite a change of heart for Gallo, which historically has not believed in an alcoholic beverage sponsoring sports or other events.

Bartles & Jaymes, with its singular flavor, gulped away at market share while other cooler companies pumped out a mindboggling array of line extensions.

The original Bartles & Jaymes wine cooler has its seasonal advertising in full swing, with a recent tv spot celebrating the first day of spring. Frank thought "Vernal Equinox Day" was in commemoration of a childhood friend he and Ed thought would never make it that big. Springy point-of-sale materials include the "thirst rescue dog," and Frank and Ed advertising "the perfect cooler for spring." Ed, with a towel slung over his shoulder, totes a beach ball and scuba gear.

Last year, according to LNA, Bartles & Jaymes spent $30.4 million on television, with nothing on magazine or outdoor advertising. About $26.6 million was spent on network tv $3.8 million on spot tv and $27,200 on cable tv. Media Records says newspaper expenditures in 1986 were $82,476. For spot radio, $721,522 was spent in 1986, says Radio Expenditure Reports.

CALIFORNIA COOLER

The original wine cooler, the one that gave us another reason to hate California (as its initial ad campaign put it) and then came out with ads reminiscent of *Beach Blanket Bingo,* has a new tactic.

Says Jon Shastid, senior vice president, director of marketing at Brown-Forman Corp., "We have taken the party off the beach. It's not just for parties or large occasions. It's appropriate in smaller groups and off the beach."

The "Real Stuff" campaign is being revamped to appeal to a broader age range that includes those over 35. California Cooler also will be pitched in nine new 15-second commercials by Chiat-Day as well as five :30's and one 60-second spot. All told, the budget is more than $40 million, including advertising and promotion.

"We didn't have 15-second ads last year," says Shastid. "But they allow us to be tactical. There is an enormous efficiency in using :15's provided you have the right creative," he says. Last year, the cooler used about three :60's and four :30's.

Tv ads for California Cooler will zero in on the big summer holidays: Memorial Day, Independence Day and Labor Day. Even income tax time was hit with a commercial that shows a liter bottle of the cooler and a smaller bottle with the punch line that the coolers come in "long form and short form." A baseball-oriented commercial invites us to "enjoy one of America's favorite pastimes, and while you're at it, you may want to watch a little baseball." There is also an ad execution for basketball games.

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The Columbus Dispatch
Morning & Sunday

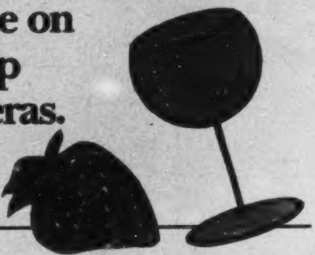
[illegible]

California Coolers are advertised on network, spot and cable tv, network and spot radio. Ads appear on *Cheers, Moonlighting* and *Miami Vice*, and on the network and local news on a spot basis. Shastid says negotiations are under way for time on network news and newsbreaks during summer and fall.

Cooler ads also can be seen on ABC daytime soap operas because women, a target audience, watch the programs. "It's difficult to get a preponderance of women in prime time," observes Shastid, who calls daypart advertising a "very efficient vehicle. The cost per point is more efficient than prime time." Outdoor advertising is also used. For example, the introduction of the peach cooler bore the inscription, "Everything but the pits." The coolers are advertised in trade magazines such as *Impact, Market Watch* and *Nation's Restaurant News*. Newspaper advertising currently isn't planned, but they are testing some minority ads designed by Burrell Advertising.

LNA reports that in 1986, Brown-Forman spent $19.6 million on California Cooler, which includes $16.1 million on network tv; $2.5 million on spot tv; $415,100 on outdoor ads; and $506,100 on cable tv. Radio Expenditure Reports says $2.6 million was spent on spot radio last year.

Coolers attract women by buying time on soap operas.



SUN COUNTRY

Canandaigua Wine Co. openly admits that its advertising budget is more than $40 million. And Ringo Starr, the former Beatle and current spokesman for the new Sun Country Classic, is raking in "well into the seven figures" for his efforts, a salary that isn't included in the $40 million.

Howard Jacobson, Canandaigua's marketing director, says Starr's "highly visible, classic personality" is being pitched to the 25- to 44-year-old age range. The Classic cooler is dry, clear and "upscale." Sun Country's numerous fruit flavors of citrus, orange, tropical fruit, peach and cherry wine coolers — the first of which was introduced in 1984 — have always been geared to those ranging in age from 21 to 35. All Sun Country products, like many cooler brands, are available in two-liter plastic bottles, which have been called a clever innovation for the beach where glass bottles may be prohibited.

The marketing mascot of Sun Country, the bear, has been incorporated into the 30-second Classic commercials. Those may be seen during *St. Elsewhere, Dallas* and *L.A. Law*, while ads for the fruit-flavored beverages have been seen on MTV and *Miami Vice*. The Classic and the fruit flavors are advertised during daytime soap operas. Jacobson notes that 15-second commercials aren't used very often because of limited availability.

Towne, Silverstein & Rotter-designed tv commercials feature various stars sporting bear suits. Actors that range in appeal from Donna Mills to Vincent Price have been used because of the "huge demographic group drinking coolers," Jacobson explains. Charo, also clad in a bear suit, will continue to pitch Sun Country on Spanish tv and radio.

Sun Country coolers also use cable tv, including Turner Broadcasting System and Entertainment and Sports Programing Network. A heavy dose of ads are used during network and cable

"How many of you have heard of Orange County, California?"

SUN COUNTRY
CLEAR & DRY
CLASSIC

Sun Country is paying Ringo Starr a salary in the "seven figures."

sports programing, says Jacobson.

National and local radio 30- and 60-second spots are used, and, depending on the market, commercials feature Grace Jones, the Four Tops or Ringo, of course. Sun Country's ad schedule is heavier during the weekends in resort areas.

Magazine ads, which generally offer sweepstakes, are in *People*, *Rolling Stone* and *Glamour*. Coupons and promotions are advertised in local newspapers in the top 50 markets. Outdoor advertising isn't currently used but is planned for the summer.

Sun Country sweepstakes give away everything from T-shirts to ski weekends. This summer Hawaiian cruises will be given away in a co-op with Hawaiian Tropic tanning lotion. In conjunction with Westwood One Radio Networks, the cooler is also sponsoring concert tours for the rock band Heart and the Judds, a country music band.

Jacobson said about $25 million to $30 million was spent on advertising in 1986. *Impact* Databank reports that about $29 million was spent on Sun Country's advertising in 1986, but LNA puts the figure at almost $20 million. LNA says about $12.7 million was spent on network tv; $3.6 million on cable tv; $2.6 million on spot tv, $300,900 on network radio; and $292,300 on magazines. Media Records reports that 1986 newspaper expenditures were $15,156. About $315,755 was spent on Sun Country's spot radio advertising, according to Radio Expenditure Reports.

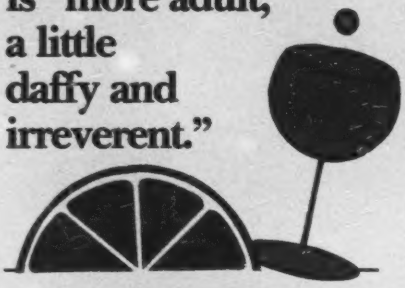
SEAGRAM'S WINE COOLERS

If you think Bruce Willis' image is "more adult, a little daffy, irreverent and clearly more sophisticated," then Seagram has a wine cooler for you.

Willis has been trying to pick up women in bars and even at weddings by crooning about Seagram's Golden Wine Cooler in Ogilvy & Mather-designed tv ads. The commercials currently used are 30- and 15-second spots, while :60's also have been used in the past. They can be seen on *Moonlighting*, of course, and Joan Rivers' *The Late Show* and as well as cable networks such as USA and Turner Broadcasting System.

Seagram hit the market in late 1984 with its Premium Cooler with citrus flavoring, and the drier-tasting Golden Cooler was introduced a year ago. The premium coolers include three other fruit flavors such as peach and the new apple cranberry and wild berries. The individual line items are pitched more specifically on radio. Ads appear in consumer magazines such as *Life* and trade publications such as *Market Watch*. Free-standing inserts with coupons also appear in local newspapers. According to *Impact* Databank, an estimated $7.50 a case, or $30 million,

Seagram's audience is "more adult, a little daffy and irreverent."



DEEP SWIG

"It smells like gangrene starting in a mildewed silo, it tastes like the wrath to come, and when you absorb a deep swig of it you have all the sensations of having swallowed a lighted kerosene lamp."

—a definition of "Corn Licker" by Irvin S. Cobb

This defamation of a native regional potable might offend some Old South traditionalists. But they would be few. Today, in the face of a national trend toward moderation, The South accounts for over half of the country's bourbon consumption, and in the sale of "white goods," this region led all others in the consumption of gin, and accounted for a third of national vodka sales. It is the number one growth market for brandy and cognac. For advertisers, projected trends are as upwardly mobile as the readership of The South's favorite at home magazine.

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211,000 Readers Weekends

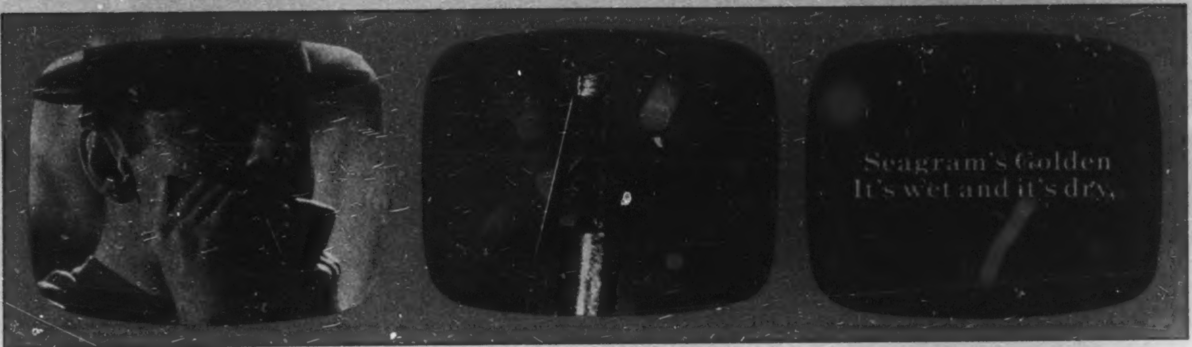
166,000 Readers Daily

Contact your Sawyer-Ferguson-Walker representative or call Roger Choquet at 1-207-942-4881

Bangor Daily News

The Maine Choice

Source: Belden Associates, Dallas, Texas, Oct.-Nov. 1984.


Seagram's Golden
It's wet and it's dry.

Bruce Willis pitches Seagram's Golden Wine Cooler through television.

was pumped into Seagram's Golden Wine Cooler, while the premium coolers were allocated about $10 million in 1986. In 1985, the premium wine coolers received $13.6 million in advertising, *Impact* says.

LNA has three breakouts of advertising expenditures for Seagram's wine coolers in 1986. The first, which is called Seagram's wine coolers, reports that $10.4 million was spent with most of it in network tv. Seagram's "cooler wine cooler" category had a lone expenditure of $232,100 on magazine ads. Seagram's Golden Wine Cooler had a total of $16.3 million in advertising, $13.9 million of which was on network tv and the rest in magazines, network radio, spot and cable tv. Media Records says newspaper expenditures in 1986 amounted to $594,737. Radio Expenditure Reports says $181,905 was spent on spot radio.

Seagram coolers also have been a sponsor of tennis tournaments and the U.S. Open Bowling Tournament. This year the company will co-sponsor with Starstream, which discovered Bon Jovi and Twisted Sister, "Seagram's Cooler Talent Search," a search for the "best rock and roll band" in America. The search will be promoted in conjunction with radio stations, and concerts will be conducted in 60 markets.

CALVIN COOLER

"Ain't nothing cooler than a Calvin" may be nothing more than a memory since Joseph Victori Wines Inc., of Brooklyn, N.Y., is reviewing its ad pitch. The new ad campaign, designed by Warwick Advertising and targeted at adults 18 to 34 years old, is expected to begin in the middle of this month.

Calvin Cooler is different than its formidable competitors because it spent less than $20 million last year and probably won't increase its budget much more in 1987, says Jose Fernandez, vice president, sales and marketing. It also spends time homing in on its Northeastern market. Fernandez claims Calvin is king of coolers in New York. The company also believes that coolers truly are a seasonal product so Calvin's advertising is built around the peak season of May through September, "when the fish are running."

And where the top coolers are seen mostly on network tv, Calvin's ad breakdown is about 50% radio and 40% tv, with 95% of that money going to spot. The remaining 10% of the media plan is mostly in outdoor. Small amounts of cable and network radio are used. Tv spots are 30 seconds, and radio spots are 60 seconds. Local newspapers may run coupon ads in the top 10 markets nationwide. Calvin also uses some mail-in rebates and discount couponing.

There are six Calvin Coolers with a malt base and nine wine-based coolers

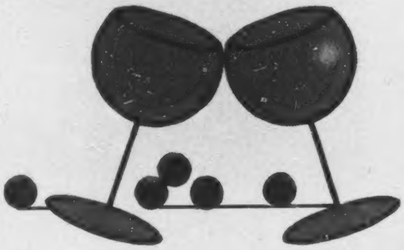
"How many of you are aware that Orange County, California is the nation's 17th largest market and the 10th highest in medium household income?"

S&MM, 1986 Survey of Buying Power

that include citrus, orange, raspberry, passion (made up of passion and tropical fruits), grape, sea breeze (a cranberry flavor), piña coconut, chablis cooler and peach. A new flavor has been coming out about every six months, says Fernandez.

Although Joseph Victori Wines Inc. claims it spends less than $20 million, *Impact* Databank estimates about $10 million in 1986 advertising. LNA tracked a mere $1.7 million in expenditures, most of which was in spot tv. Media Records says $27,099 was spent on newspaper ads in 1986. About $1.7 million was spent on spot radio, according to Radio Expenditure Reports.

Calvin Cooler's ads may be heard more than seen with more radio used than tv.



20/20 WINE COOLER

The Wine Group produced the first orange juice cooler in 1984, "but then everybody made it, so we 'deemphasized' it," says company president Arthur Ciocca.

The 20/20 Wine Coolers appeal to 21 year olds on up to the "very old, believe it or not," says Ciocca. 20/20 Wine Cooler's flavors now include strawberry, peach and cherry. The ad pitch from San Francisco-based Cole & Weber is "Got the thirsties? Get the 20's." A new segment is called the "All-American Wine Coolers." The marketing gimmick is in patriotic flavors that match Old Glory's colors. The flavors are red raspberry, white chenin blanc and blueberry, and even the packaging for the three flavors is red, white and blue. Ciocca explains that the line was introduced in conjunction with the 200th anniversary of the signing of the Constitution. "And," notes Ciocca, "there are several really important holidays that fall in the middle of the cooler season." He maintains the beverage is a seasonal product.

Although 20/20, a line extension of the Wine Group's fortified MD 20/20 wine, is nationally distributed, Ciocca points to the strength of wholesalers for its popularity in the West. Spot tv ads of 10 and 30 seconds are used. Magazines or newspaper ads are rarely bought, but Ciocca likes to get his products in supermarket advertisements. The price-competitive cooler has been known to sell a four-pack of 14.4 ounce bottles for the same price as a 12-ounce four-pack.

According to *Impact* Databank, 20/20 Wine Cooler dropped to an estimated 2.4% share of the market in 1986 from 3.7% a year earlier. Case depletions, however, increased to an estimated 1,800 in 1986 from 1,600 in 1985.

Leading National Advertisers reports that about $637,200 was spent on spot advertising in 1986 and $14,200 on cable tv ads. Radio Expenditure Reports says $4,193 was spent on spot radio. Media Records does not report any newspaper expenditures for 20/20 Wine Coolers.

The Wine Group also has been marketing a White Zinfandel cooler since May 1986, which was recently joined by a Cabernet Sauvignon cooler under its Franzia cooler line.

RED RASPBERRY
WHITE CHENIN BLANC
BLUE BERRY

20/20 salutes the Constitution's 200th anniversary.

"Who amongst us is in favor of adding Orange County's leading newspapers, The Orange County Register MetroGroup, to our media buy?"

Dewey Stevens goes after dieters by slashing one-third of its calories for "two-thirds more fun."

DEWEY STEVENS

Dewey Stevens Premium Light, the low-cal entry in the wine cooler arena, advertises on shows like *Late Night with David Letterman* and even forces the viewer to watch one of the show's regulars during the commercials. Larry "Bud" Melman pitches the product as does the old *Saturday Night Live*'s Father Guido Sarducci character.

Mitch Meyers, group marketing director for Anheuser-Busch Beverage Group, says the product gets "a lot of mileage" out of its commercials because the 15-second spots aren't abbreviated versions of the 30-second spots. Different messages and jokes are used, she says.

The 135-calorie beverage is being pitched as "One-third less calories, two-thirds more fun," as coined by D'Arcy Masius Benton & Bowles, St. Louis, which became Dewey's agency last fall. The Bloom Agency, Dallas, developed the original "Dewey, you do me right" theme when the product was introduced last summer. The tv commercials featured women opening their own business, working out at a gym and also playing softball.

Dewey Stevens had been targeting females, but it was discovered that they aren't the only ones interested in calories, explains Meyers.

In addition to Letterman's show and the current *Saturday Night Live*, Dewey's ads also can be seen on *Miami Vice*, *L.A. Law*, *Cheers* and *Friday Nite Videos*. There are spot and cable tv ads as well as network radio advertising. Magazines aren't used, but there is local co-op advertising with print and radio in conjunction with wholesalers.

Father Guido Sarducci makes a pitch for Dewey Stevens.

Consumer promotions include framed Dewey Stevens mirrors and "Dewey's Double Take," a special summer promotion with two four-packs for sale at discount prices. The product is skewed toward the summer season, although some Thanksgiving and Christmas advertising is planned.

Baybry's, a champagne cooler, had been tested marketed by Anheuser-Busch last year, but tests stopped in January. Meyers says consumers thought the price at $4 a four-pack to be "prohibitive," although "the people who tried it loved it." Dewey Stevens goes for $2.89 to $2.99 a four-pack.

Impact Databank estimates that about $20 million was spent on advertising or $13.33 a case on a nine-liter case volume of 1.5 million cases. LNA says $14.4 million was spent on network tv; about $2 million on spot radio and lesser amounts on magazines, spot and cable tv and outdoor ads. Media Records says $1.1 million was spent on newspaper ads in 1986. And Radio Expenditure Reports says about $1.4 million was spent on spot radio. ■

"Why not?"

"It's been on our media schedule for years."

The Orange County Register is now the nation's 3rd largest newspaper for total full-run advertising. (Media Records, 1986)

THE ORANGE COUNTY
Register
METROGROUP

The leading medium in Southern California's richest market
Represented by CWO&O

ECONOMIC EYE

INDEX FANS, BEWARE

Before working with this month's Media Cost Index, please note that the base year for all media has been updated to 1985. The Index has been adjusted back to June 1986.

Also, newspaper rates are now based on costs per column inch for 784 newspapers, weighted to represent the universe.

MAGAZINE AD SCORECARD	Ad Pages Mar. 1987	% change from Mar. 1986	Dollars spent (000)	% change from Mar. 1986
1. Skin care, Creams, Lotions and Oils	217.33	+7.23%	$ 7,331.3	+30.89%
2. Lip and Eye Beauty Products	133.02	+34.13	4,733.3	+35.31
3. Scents and Fragrances	142.85	−22.49	4,055.7	+19.29
4. Facial Makeup Products	100.59	+73.73	3,257.6	+46.09
5. Prepared Dinners and Entrees (including Pizza)	47.92	−15.25	2,670.4	−23.44
6. Liquor	260.78	−16.80	11,628.2	−13.93
7. Cigarettes	609.22	−15.41	31,334.7	−21.48
8. Soaps and Detergents	41.73	−14.59	2,466.5	−17.49
9. Passenger Cars, Domestic	518.49	+13.60	27,662.0	+26.66
10. Passenger Cars, Imported	500.39	+16.53	24,676.4	+10.27

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100	← 1986												→	1987	
	June	% change	July	% change	Aug.	% change	Sept.	% change	Oct.	% change	Nov.	% change	Dec.	% change	Jan.	% change
Network TV																
Daytime	95	−5	102	+2	95	−5	102	+2	103	+3	98	−2	85	−15	106	+0
Nighttime	109	+9	107	+7	108	+8	107	+7	104	+4	107	+7	109	+9	92	[illegible]
Spot TV																
Prime time	120	+20	126	+26	121	+21	105	+5	119	+19	115	+15	116	+16	–	–
Daytime	105	+5	113	+13	109	+9	99	−1	109	+9	111	+11	105	+5	–	–
Network radio	115	+15	104	+4	105	+5	104	+4	115	+15	106	+6	101	+1	139	[illegible]
Spot radio	←	→	←		98	−2		→	←		103	+3		→	–	–
Consumer magazines	106	+6	105	+5	105	+5	106	+6	106	+6	106	+6	107	+7	109	+4
Natl. Sunday mags	96	−4	96	−4	105	+5	105	+5	94	−6	94	−6	94	−6	103	+10
Business publications	106	+6	106	+6	106	+6	106	+6	106	+6	107	+7	107	+7	111	+5
Newspapers	108	+8	108	+8	108	+8	108	+8	108	+8	109	+9	109	+9	116	+8
Outdoor	107	+7	107	+7	107	+7	111	+11	106	+6	106	+6	106	+6	111	[illegible]

Notes: Percentage shown is relative change from the same month/period the year before.

1985 = 100

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

- C2950-3
6/8/87

REPORT:
NEWSPAPER
BRAND LEADERS

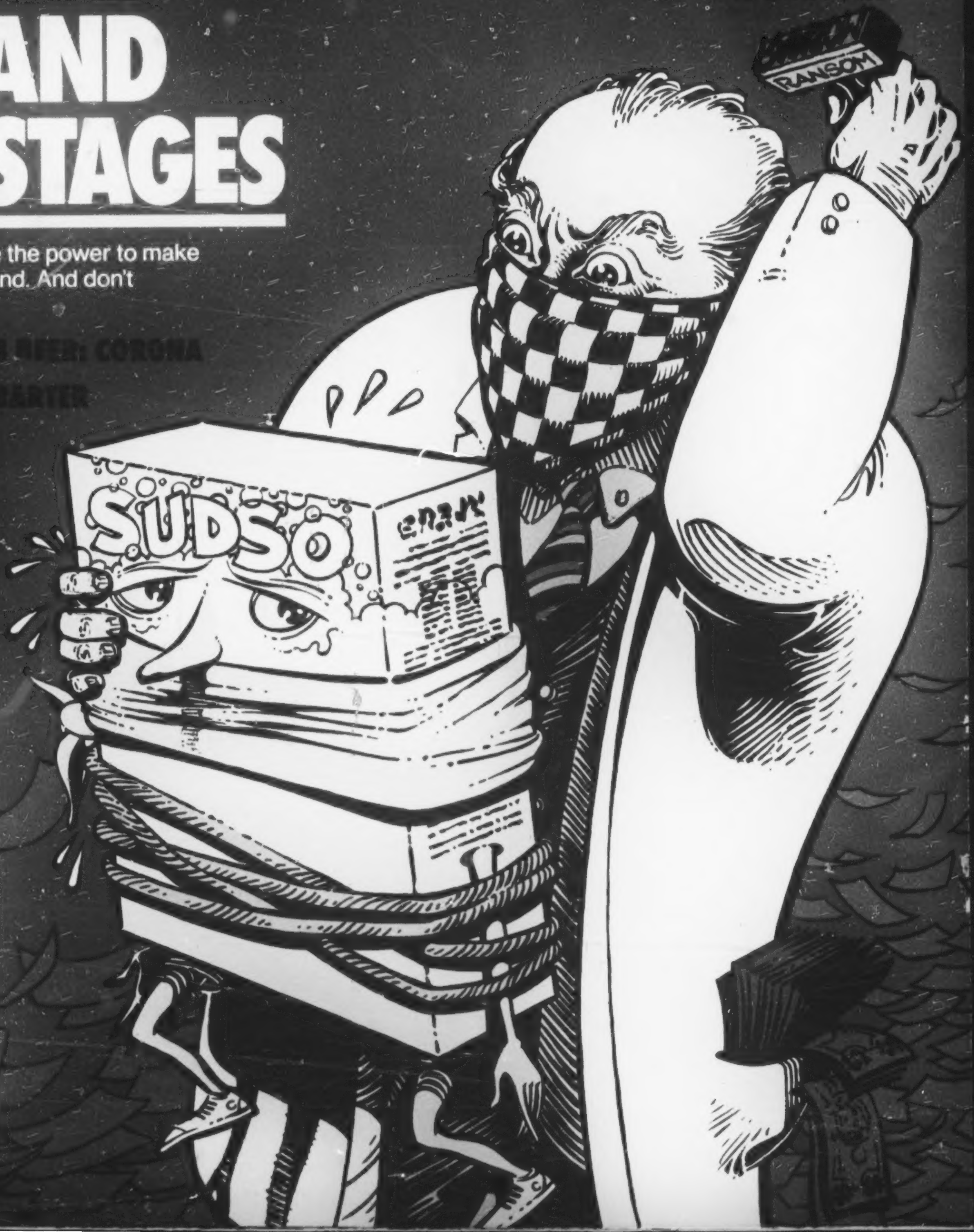
MARKETING & MEDIA
DECISIONS
JUNE 1987 • $4.00

BRAND HOSTAGES

Retailers have the power to make or break a brand. And don't they know it.

THIS YEAR'S BEER: CORONA

IS BIGGER BARTER BETTER?



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GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800
BETHESDA MD 20814 CIR

MARKETING & MEDIA DECISIONS

COVER STORY

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For years, marketers quietly earmarked bigger and bigger dollars from their budgets to insure shelf space for their brands. They knew the formula: To reach the customer, take care of the retailer. These same marketers now say the practice has gotten out of control. What's more, they're willing to go on record about it.

FEATURES

BARTER GETS IT TOGETHER 46

Consolidation has created International Advertising Sales, the giant joint venture among syndicators Orbis Communications, Coca-Cola Telecommunications, Columbia/Embassy, Paramount Domestic Television and Merv Griffen Enterprises. What remains to be seen is whether the move will create any real advantages in the marketplace.

THE GREAT FREEZE OUT 54

Those fancy frozen foods may be showing the first signs of a thaw in America's upscale tastes. After a booming debut, they find themselves loosing ground to their more budget-conscious competition.

THIS YEAR'S BEER: CORONA 95

Against all odds, this super-premium Mexican import has zoomed to number two in the import field. It isn't even national — yet.

TAKING DIRECT AIM 100

The catalog industry is still appraising the home shopping channels' effect on their business. Booster or buster? Opinions are divided, but some catalogers are turning to the tube to cover their bases.

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All the strength is in the scents in this flat category. No wonder marketers are widening their targets.

SPECIAL REPORT

THE 1986 NEWSPAPER BRAND LEADERS 61

Led by nationally minded newspaper execs, the medium is taking an aggressive stance to become more appealing to major marketers. Will it pay off? Let's hope so — 1986 was a very weak year for national advertising in newspapers. In our exclusive report, *Decisions*, with data supplied by Media Records, looks back on '86 and reveals the top 100 national advertisers in the medium (page 64). Then, beginning on page 67, the top three brands in each of 50 different categories are listed, as well as close-up analyses of four major categories: tobacco, automobiles, airlines and alcoholic beverages.

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Russ Klein takes his youth to 7Up, *Venture*'s founders Joe Giarraputo and Carl Burgen think global and Jack Wakshlag helps CBS give the people what they want.

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Stronger women's market presence is the New York Times Magazine Group's goal in signing *Child*, hailing *Taxi*.

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Presenting, *The Next President*. David Frost, in conjunction with *U.S. News & World Report*, will host a multi-media package of interviews with front-runners in the 1988 presidential race.

Cable, meanwhile, makes a fashion statement with The Fashion Channel.

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The top 25 direct marketing agencies are examined. In New York, a Wisconsin-based financial house takes on the big boys via direct mail.

UPDATE 28

Some food (and spirits) for thought on the Constitution's bicentennial, and ad agency L3 supplies a rare look at Asian-American media and product-purchasing habits.

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The 3-D technology of holograms is showing some down-to-earth advantages for marketers. So far, they've shown up on paperbacks and cereal boxes. Next up, a holographic ad?

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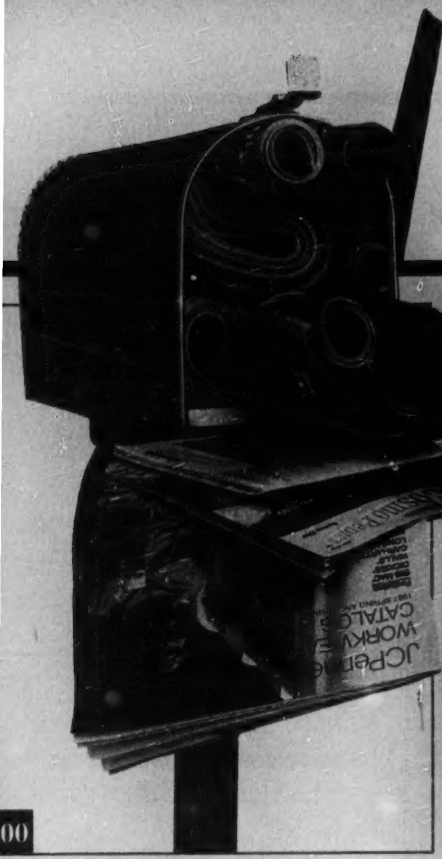
It's back to basics for Lifetime, and the move has left them with a healthy glow. The Discovery Channel sets out on its latest challenge as it builds an ad sales operation.

June 1987, Vol. 22, No. 6
Cover Illustration by Jery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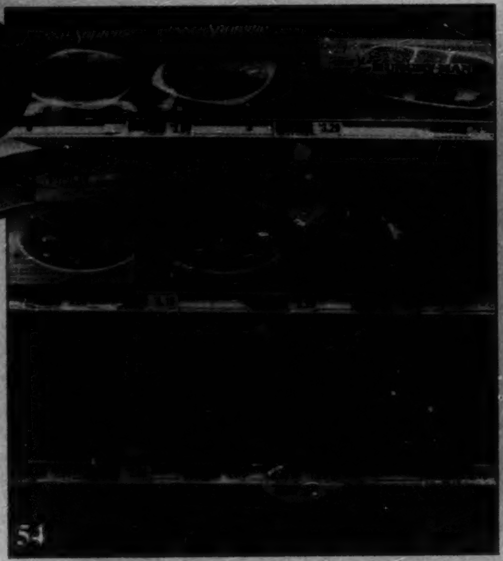
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Kids viewing is down, and John Claster, president of Claster Television, finds there are "no umbrella answers" to this phenomenon.

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The cries for reform are heard high on the Hill as the airline industry meets the wrath of disgruntled fliers.

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Time marches on, and so does the Media Cost Index. Also, a snapshot of category ad investments in magazines.

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John O'Shaughnessy of Columbia focuses on wants and beliefs as keys to the gentle art of persuasion.

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Whatever you may think of magazine rate negotiation, it suggests some advantages in consolidating the buying function at agencies.

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Long-form programing on radio can work small wonders to round out a media plan.

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Consider the coupon. Most marketers are, and it calls for some finesse to properly plan for it. Here's the media person's perspective.

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DIRECT MARKETING

by Rebecca Fannin

TO RANK AND FILE

While the annual ranking of direct response agencies released by the Direct Marketing Association reveals few moves at the top, things heat up on the lower rungs.

Notable changes include the meteoric growth registered by Lowe Marschalk Direct Marketing, whose billings rose from $13 million in 1985 to $40 million last year, pushing its ranking from 23rd to 12th. Similar growth was experienced at Hemmings, Birkholm & Grizzard. In 1985, the agency had billings of $6.5 million and was in 35th place. Last year's $26 million in billings catapulted it to 18th among direct response agencies.

Among the top-ranked shops, Wunderman, Ricotta & Kline maintains its number-one position with $224 million in 1986 billings. It is followed by second-placed Ogilvy & Mather, with $207 million, which was also last year's second-largest agency. Marcoa DR Group, Inc. retains its third-place stance with $110 million in billings.

Farther down the list, Grey Direct edges to fourth place, after a fifth-place finish last year. Its billings rose from $82 million in 1985 to $94 million in 1986, allowing Grey to unseat Rapp & Collins Direct Response Group.

Rankings are compiled by the DMA using information provided by its research department. The accompanying chart shows the 1986 results of the top 25 agencies, which report fees and commissions only.

BITING THE APPLE

B. C. Ziegler & Company, a Wisconsin-based retirement investment specialist, is going head-to-head with its giant New York competitors with a direct mail test designed to reach out beyond its customer profile.

Created by Cramer-Krasselt/Direct, the campaign, which includes the first mailings that the investment company has done beyond its customer file, offers a two-color, 24-page handbook called "Retirement Planning Made Simple." A total of 75,000 pieces are being mailed in two separate drops to adults ages 45 to 55 where Ziegler has offices.

"We anticipate a good return, as much as 3-to-4% requesting the handbook," says Phillip R. May, executive vice president and general manager of Cramer-Krasselt/Direct. "Those who receive it will continue to be sent follow-up mailings on specific products, such as mutual funds and tax-deferred bonds."

The first mailing, in a 5-by-7-inch envelope, includes a two-page cover letter from Ziegler's chairman, a black-and-white brochure offering a free retirement planning handbook and a coupon designed to be mailed to receive the material.

A second, less elaborate mailing uses a standard-size envelope. It also features a personalized cover letter emphasizing the firm's advantages over the "giant New York investment companies." Interested parties write in their phone numbers and mail it to the company for the retirement planning handbook.

THE TOP 25 DIRECT MARKETING AGENCIES

	BILLINGS (millions) 1986	1985
1. [illegible]	224.5	175.7
2. Ogilvy & Mather Direct	207.4	172.0
[illegible]	110.0	101.0
4. Grey Direct International	94.0	81.8
[illegible]	81.0	70.3
6. Chapman Stone & Adler, Inc.	80.4	80.9
[illegible]	80.1	83.5
8. FCB Direct	78.4	60.6
[illegible]	63.1	42.5
10. McCann Direct	42.0	24.1
[illegible]	41.0	32.5
12. Lowe Marschalk Direct Marketing	40.9	13.0
[illegible]	40.0	32.9
14. Ayer Direct	37.0	[illegible]
[illegible]	36.7	26.5
16. GSP Marketing Services	34.4	27.7
[illegible]	31.0	30.5
18. Hemmings, Birkholm & Grizzard	26.0	6.5
[illegible]	25.2	24.5
20. The Reich Group	[illegible]	15.3
[illegible]	24.3	20.1
22. Fairfax Advertising, Inc.	[illegible]	40.0
[illegible]	21.7	25.8
24. Cramer-Krasselt/Direct	20.7	[illegible]
[illegible]	16.8	12.2

Source: Direct Marketing Association

THE 1986 NEWSPAPER BRAND LEADERS

by Fred Pfaff

Statistics editor: Patrick Kelly

"Necessity is the mother of invention." How well that proverb fits the state of national advertising in newspapers. Crises among basic ad categories have newspapers listening harder to age-old advertiser complaints, identifying new prospect categories and straining like never before to provide incentives to big-name national non-advertisers. The promise of change is as critically important as the flat ad tallies.

First, some history. Total ad investments in newspapers have grown every year, but newspapers' share of all national advertising dollars — now just over 6% — is less than half what it was when millions of living rooms were starting to soak up the glow of tv sets around 1960.

The reason? Many national advertisers simply haven't been anxious to employ a high out-of-pocket-cost, high-CPM medium that they feel treats them as secondary customers, favoring regular local-retail advertisers with lower rates, sharper volume discounts and guaranteed positions. They're just as loathe to juggle a maze of contracts and rate rules that swallow up as much time as planning itself.

Hopes ran high when national spending rose 8.8% in 1985. But last year, according to the Newspaper Advertising Bureau, advertisers spent $3,375,556,000 in newspapers — only 0.7% more than in 1985. Such stalwart advertisers as tobacco and liquor marketers, faced with radical changes in old American habits, hefty taxes and/or hostile legislation, cut back heavily on their newspaper spending: tobacco by 36.8%, liquor by 10.9%, according to Media Records. (See close-ups that follow.)

In private, no doubt, some publishers still put the blame for lost dollars on big-budget advertisers and their agencies. For ego satisfaction or commission, reach or the dazzle of sound and motion in full color, they too often put their first foot forward into television. But as a medium, newspapers now recognize their share of the blame and they are taking to heart advertisers' longtime complaints.

Y&R's Scullin and Miller designed a packaged-goods discount plan.

The standardization that started in 1984 with SAU's — standard advertising units, measured in inches, that replaced over 400 separate measurements — is blossoming into a second look by top executives at nearly every hurdle the medium faces. The Future of Advertising Committee, 10 big-name task forces created by the NAB and the American Newspaper Publishers Association (ANPA) in May 1985, has already published a report on readership and convinced papers across the country to consider an array of standard ad positions (island and vertical column positions, for instance).

Processing headaches are also coming under the FOA microscope. The committee has recommended that all newspapers adopt an FOA-developed standardized invoice, replacing several hundred individualized forms. It's recommending standardized terminology, lead-time requirements, contract forms and tv logs. And June marks the debut of a color guidebook.

More critical for advertisers is the bottom line. In January, the FOA committee recommended standard price break points for volume discounts at the equivalent of one-quarter, one-half, one, two, four, six, 10, 13, 26, 52, 75, 100, 150 and 200 pages. While a task force on repositioning and advertising searches out a tagline for newspapers' marketing efforts, sales teams composed of NAB personnel and top salespeople from the *New York Times, Los Angeles Times, Chicago Tribune, Washington Post* and *Boston Globe* are heading out to pitch advertisers in target categories, including beer and over-the-counter drugs, on ad opportunities cleared with likely candidate papers. Confidence in cracking new categories runs high enough that NAB president Craig Standen predicts a 5% gain in national advertising this year.

To get more business, newspapers know they have to make their price as attractive as their pitch. The FOA is urging papers to offer discounts for same-size ads repeated within given periods and introductory discounts for advertising categories from which they're drawing little or no business.

In many cases, an introductory discount would effectively eliminate the rate differential — now approaching 100% in most major market papers that get the bulk of national dollars. As Jerome Tilis, president of the *Detroit Free Press* and vice president, marketing for Knight-Ridder Newspapers Inc., told the ANPA 100th-anniversary convention last month, "The biggest reason [the rate differential] is here today is that it's always been there. And that's not enough to satisfy the national advertiser."

Newspapers are also getting a big

YOU CAN IN...
COLUMBUS, OHIO

push from the outside. In January, Young & Rubicam vice president, director of out-of-home media services John Miller and senior vice president, director of print and new electronic media Leo Scullin, worked out with several papers a special rate for packaged-goods advertisers (excluding tobacco and liquor). Y&R hopes to get such advertisers to turn away from low-CPM free-standing inserts and resume their ROP schedules, which build a brand's image and bring an agency commission. Over 200 papers have already agreed to open the rate — essentially the appropriate retail rate plus 15% commission — to any such advertiser who commits to at least a quarter-page, non-coupon ad 13 or more times.

"Now we have a test as to whether a favorable price indeed will cause action," says NAB's Standen. The unspoken suggestion, whispered by many in the selling community, is that if papers don't see significant new business gains within the next year or so, some may retrench a bit in their stances toward the national advertiser. "It's put up or shut up time," says one newspaper veteran. "National advertisers have been jawboning us without doing anything to meet us in the middle ground."

"That's the same old thing," counters Frank Hajek, vice president, associate media director at DFS Dorland. "The business isn't going to come in over the transom just because they've made changes."

Response to the Y&R proposal has led some industry executives to believe that within two years newspapers will move firmly into either category pricing or a two-tiered rate structure that differentiates between the frequent and the occasional advertiser. A number of advertisers, particularly in the airline category, are pressuring newspapers to offer them concessions similar to the packaged-goods rate. And four Southwestern client papers of Branham Inc. — the *San Antonio Express*, *Albuquerque Journal-Tribune*, *Tulsa World & Tribune* and *Louisiana State Times & Morning Advocate* — have combined to offer a liquor rate (essentially retail plus 15-to-20% commission) to advertisers committing to more than two pages worth of ads of any nature.

Newspaper rep firms aren't squawking. Much maligned by agency buyers and questioned by publishers of late (see "Surviving the Satellites," February 1987, pg. 42), rep firms have turned the rate issue into a chance to prove their value. Rep firms' closed-door efforts were important in getting many papers to agree to the Y&R rate; the Newspaper Advertising Sales Association, largely composed of rep firm executives, is creating a data base of the offered rates; and rep firms are pitching the non-Y&R food clients on packaged-goods rate insertions.

Newspapers may have more than new packaged-goods ROP to look forward to as a result of AD/SAT, the satellite ad transmission system and message center that went into operation January 5 ("Clear Signals for AD/SAT," February 1987, pg. 35). Such retailers as Lord & Taylor, Bonwit Teller and Macy's have made daily use of the system, and late last month NBC became the first advertiser to use the system for a full run of the 12 papers now on line. Transmission on a big scale can begin when AD/SAT brings 103 papers on line in September.

Time-saving transmissions and pocket-saving discount structures are critical first steps. As publishers know, the changing American business and social scenes have laid newspapers' future in national advertising at the feet of unfamiliar categories. As William Dowse, vice president of advertising at Eastern Airlines, puts it, "If I were in the newspaper business, I'd be trying hard to open up new categories of business. Little stays the same for long these days."

NUMBERS
speak louder than words

- Sunday World-Herald circulation for March 1987 was up more than 6,000 copies over March 1986 setting a monthly record of 291,497 copies.
- Daily World-Herald circulation for March 1987 was up more than 700 copies over 1986 reaching 222,543.
- The Omaha World-Herald ranks 6th nationally on Sunday in circulation penetration of metropolitan areas with over 150,000 households.
- The Omaha World-Herald is recognized as the #2 test market among the nation's top test markets by American Demographics.

Omaha World-Herald
Represented Nationally by CWO&O. For more information call George Kaplan, National Sales Manager, 402-444-1000 ext. 3406.

1986

TOP 100 NATIONAL NEWSPAPER ADVERTISERS — 1986

Rank	1986 Investments	1985 Investments
1. General Motors Corp.	$146,430,000	$140,979,000
2. Ford Motor Co.	76,136,000	77,295,000
3. Texas Air Corp.	63,417,000	15,075,000
4. Philip Morris Cos.	57,589,000	78,013,000
5. RJR/Nabisco	50,347,000	73,321,000
6. Chrysler Corp.	42,203,000	42,000,000
7. American Telephone & Telegraph Co.	31,106,000	57,210,000
8. Trans World Airlines, Inc.	29,329,000	20,870,000
9. General Electric Co.	26,986,000	10,332,000
10. Allegis (UAL, Hertz)	26,900,000	19,987,000
11. AMR Corp. (American Airlines)	25,194,000	19,534,000
12. Mercedes-Benz of North America	23,340,000	18,008,000
13. Toyota Motor Sales Co.	22,878,000	20,761,000
14. Delta Air Lines, Inc.	22,309,000	17,116,000
15. NWA Inc. (Northwest/Republic/ Northwest Orient)	22,219,000	25,126,000
16. Honda Motor Co., Ltd.	21,087,000	10,331,000
17. CBS Inc.	20,116,000	20,936,000
18. Pan-American World Airways, Inc.	18,784,000	21,218,000
19. NYNEX Corp.	18,614,000	15,133,000
20. GTE Corp.	18,140,000	13,665,000
21. Nissan Motor Co.	17,627,000	16,504,000
22. International Business Machines	16,646,000	30,610,000
23. Volkswagen AG	15,914,000	10,966,000
24. Southwest Airlines Co.	14,153,000	5,953,000
25. Time, Inc.	13,951,000	13,592,000
26. Liberty Travel, Inc.	13,871,000	10,902,000
27. American Express Co.	13,498,000	14,864,000
28. British Airways	12,019,000	3,703,000
29. Anheuser-Busch Cos.	11,744,000	5,611,000
30. U.S. Government	11,447,000	15,826,000
31. Piedmont Aviation, Inc.	11,160,000	6,813,000
32. B.M.W. of North America Inc.	10,924,000	7,594,000
33. Hyundai Motor America	10,396,000	—
34. American Brands, Inc.	10,260,000	4,050,000
35. Capital Cities/ABC, Inc.	9,989,000	18,168,000
36. May Department Stores Co.	9,856,000	5,609,000
37. American Motors Corp.	9,824,000	9,902,000
38. Norwegian Caribbean Lines	9,627,000	11,948,000
39. Jaguar Cars Inc.	9,089,000	8,810,000
40. Pacific Telesis Group	8,895,000	7,706,000
41. PepsiCo, Inc.	8,806,000	5,926,000
42. Carnival Cruise Lines	8,805,000	6,506,000
43. USAIR Group, Inc.	8,189,000	6,471,000
44. Loews Corp.	8,114,000	13,815,000
45. Apple Computer, Inc.	8,070,000	8,139,000
46. Hyatt Corp.	7,980,000	5,990,000
47. United Technologies Corp.	7,945,000	8,807,000
48. Mobil Corp.	7,912,000	7,668,000
49. Club Med, Inc.	7,825,000	5,865,000
50. Epson America, Inc.	7,810,000	5,975,000
51. Ameritech	$7,532,000	$10,829,000
52. Isuzu Ltd.	7,339,000	3,175,000
53. Franklin Mint Corp.	7,298,000	6,960,000
54. Southwestern Bell Corp.	7,259,000	7,286,000
55. Royal Caribbean Cruise Line	7,175,000	6,591,000
56. Peugeot Motors of America	7,070,000	9,799,000
57. Pleasant Hawaiian Holidays	6,847,000	6,901,000
58. Seagram Company Ltd.	6,417,000	7,054,000
59. Bellsouth Corp.	6,370,000	6,820,000
60. Bell Atlantic Corp.	6,232,000	4,369,000
61. Mazda Motors of America (Central)	6,175,000	5,036,000
62. Xerox Corp.	5,904,000	11,351,000
63. Frost Co.	5,895,000	4,962,000
64. Volvo North America Corp.	5,768,000	8,970,000
65. Mitsubishi Motor Corp.	5,509,000	5,362,000
66. Brown-Forman Corp.	5,469,000	8,187,000
67. Cunard Line Ltd.	5,467,000	8,791,000
68. Coca-Cola Co.	5,227,000	6,941,000
69. Subaru of America, Inc.	5,211,000	4,321,000
70. Greyhound Corp.	5,196,000	3,971,000
71. B.A.T. Industries p.l.c.	5,139,000	28,425,000
72. MLT Vacations	4,867,000	2,138,000
73. Transamerica Corp.	4,701,000	4,040,000
74. Westray Capital Corp. (Avis)	4,596,000	5,178,000
75. Hearst Corp.	4,492,000	5,446,000
76. Costa Cruises	4,388,000	2,784,000
77. Hattori Seiko Co.	4,282,000	5,638,000
78. Maytag Co.	4,258,000	4,481,000
79. Saab-Scania of America	4,221,000	4,950,000
80. Midway Airlines, Inc.	4,200,000	5,529,000
81. Alamo Rent-A-Car, Inc.	4,171,000	4,195,000
82. Blue Shield of California	4,149,000	4,792,000
83. Whirlpool Corp.	4,140,000	1,750,000
84. Procter & Gamble Co.	4,030,000	7,345,000
85. American Cellular Network Corp.	4,010,000	1,371,000
86. Horn & Hardart Co.	3,898,000	1,749,000
87. Grand Metropolitan p.l.c.	3,850,000	7,101,000
88. Walt Disney Co.	3,835,000	2,605,000
89. UNISYS Corp.	3,825,000	736,000
90. Bertelsmann Publishing Group (Doubleday)	3,755,000	4,342,000
91. Carlson Companies, Inc.	3,680,000	5,123,000
92. Sitmar Cruises	3,672,000	5,158,000
93. Estee Lauder, Inc.	3,658,000	3,447,000
94. Armstrong World Industries	3,657,000	4,218,000
95. Beatrice Cos. (minus Avis)	3,652,000	5,595,000
96. Household International, Inc. (National Car Rental)	3,633,000	3,048,000
97. Toro Co.	3,613,000	3,502,000
98. Exxon Corp.	3,491,000	2,742,000
99. Commodore Intl. Ltd.	3,471,000	3,590,000
100. Carter Hawley Hale Stores, Inc.	3,458,000	4,420,000
Total top 100 newspaper advertisers	**$1,331,619,000**	

Source: Media Records

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Air conditioning					
Carrier	$ 2,054,000	$ 1,712,000	$ 2,697,000	$ 1,371,000	$ 1,478,000
Friedrich	1,574,000	1,049,000	536,000	748,000	476,000
Trane	901,000	501,000	334,000	–	–
Airlines – Domestic carriers (foreign and domestic destinations)					
TWA	29,329,000	20,661,000	21,424,000	21,852,000	19,776,000
Eastern	28,996,000	24,838,000	18,611,000	22,461,000	21,625,000
American	22,650,000	19,293,000	13,181,000	12,059,000	18,412,000
Airlines – Foreign carriers					
British	12,019,000	3,703,000	3,662,000	3,075,000	3,423,000
Aero Mexico	2,758,000	2,421,000	2,999,000	2,010,000	645,000
Lufthansa	2,588,015	651,000	327,000	832,524	537,000
Amusements					
Disney	3,506,000	2,225,000	866,000	977,000	552,000
Soaring Adventures	1,189,000	287,000	15,000	–	–
Expo '86/Vancouver	566,000	–	–	–	–
Auto lease-rental					
Hertz	7,812,000	8,215,000	7,524,000	8,429,000	4,682,000
Avis	4,568,000	5,178,000	5,053,000	3,655,000	2,245,000
Budget	4,517,000	3,900,000	3,474,000	1,949,000	801,000
Automobiles – Domestic					
Ford	50,999,000	43,616,000	31,194,000	28,967,000	28,015,000
Chevrolet	49,417,000	46,641,000	35,305,000	21,992,000	28,754,000
Cadillac	27,644,000	31,209,000	21,740,000	22,780,000	16,752,000
Automobiles – Imported					
Mercedes-Benz	23,337,000	17,865,000	6,495,000	6,586,000	3,786,000
Toyota	22,866,000	17,915,000	10,736,000	11,095,000	14,050,000
Nissan	13,932,000	13,135,000	9,531,000*	6,072,000*	6,788,000*
(* Datsun/Nissan combined)					
Beers – Domestic (regular only)					
Miller	5,659,000	1,925,000	1,279,000	1,556,000	490,000
Budweiser	5,360,000	2,836,000	2,003,000	2,141,000	1,078,000
Coors	1,232,000	1,467,000	539,000	990,000	1,037,000
Beers – Imported					
Konig Pilsener	174,000	–	–	–	–
Labatts	116,000	203,000	408,000	–	65,000
Heineken	116,000	221,000	150,000	15,000	40,000
Bus lines					
Greyhound	5,117,000	2,615,000	3,193,000	5,824,000	1,209,000
Metropolitan Transit	744,000	757,000	235,000	98,000	229,000
Dart	630,000	212,000	–	–	–

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Cable TV					
Home Box Office	4,738,000	4,023,000	2,747,000	1,460,000	6,305,000
Cablevision	2,719,000	3,066,000	4,406,000	2,781,000	1,199,000
ESPN	2,107,000	2,639,000	3,675,000	2,541,000	2,394,000
Cameras-photo supplies					
Kodak	3,150,000	2,578,000	3,595,000	5,105,000	3,650,000
Polaroid	1,760,000	538,000	1,253,000	1,923,000	1,388,000
Sony	1,164,000	968,000	595,000	733,000	–
Cereals					
Ralston Purina	980,000	487,000	372,000	1,105,000	26,000
Quaker	649,000	466,000	412,000	215,000	316,000
General Mills	183,000	489,000	613,000	1,746,000	420,000

TOBACCO: END OF AN ERA

It was logical given the course of events rattling the tobacco industry, but newspaper rep firm executives were nonetheless stunned when word spread last fall that R.J. Reynolds Tobacco Co. was considering cutting out all ROP advertising in daily newspapers. Instead, went the reports, they'd rely on coupon ads in free-standing inserts and Sunday magazines to supplement consumer magazine, outdoor and expanded promotional efforts.

As it turns out, the company is advertising in daily newspapers in 1987, but on a far smaller scale. Primary spending, reps report, is coming in markets where outdoor advertising — which, among other advantages, acts to mask the Surgeon General's warning — is limited.

Overall, the tobacco scenario is nothing less than depressing for newspapers, as it is elsewhere in the media community. RJR certainly isn't the only tobacco company slashing the ad budget. Overall newspaper ad revenues from the category fell 13.7% to $204 million in 1985 and another 36.8% to just over $129 million in 1986, says Media Records. Some rep firms, whose many-market client papers make them a good barometer, expect tobacco spending in the medium to decline another 30-to-35% this year.

At this point, the causes are common knowledge. Americans' health consciousness has put smoking levels on the decline; according to the American Cancer Society, the only smokers' growth segment is teenage girls. Some companies have merged with or ac-

TOP 20 CIGARETTE BRANDS' INVESTMENTS IN NEWSPAPERS — 1984-1986

1986 rank	Brand	Mfr.	1986 Investment	1985 Investment	1985 rank	1984 Investment	1984 rank
1.	**Players**	PM	$15,278,000	$7,498,000	8	—	—
2.	**Ritz**	RJR	11,364,000	1,415,000	—	—	—
3.	**Marlboro**	PM	9,927,000	29,064,000	1	$29,328,000	1
4.	**More**	RJR	9,307,000	14,701,000	3	10,651,000	7
5.	**Now**	RJR	8,696,000	10,177,000	6	7,503,000	12
6.	**Cambridge**	PM	8,104,000	—	—	19,000	—
7.	**Parliament**	PM	7,233,000	4,686,000	15	—	—
8.	**Carlton**	Amer	6,091,000	2,162,000	—	1,578,000	—
9.	**Century**	RJR	6,332,000	9,850,000	7	16,341,000	5
10.	**True**	Lor	4,451,000	5,783,000	11	5,528,000	14
11.	**Richland**	B&W	4,079,000	16,356,000	2	2,058,000	19
12.	**Winston**	RJR	3,553,000	10,843,000	5	8,683,000	10
13.	**Vantage**	RJR	3,005,000	5,550,000	12	17,754,000	3
14.	**Newport**	Lor	2,637,000	5,387,000	13	1,244,000	—
15.	**Merit**	PM	2,165,000	2,422,000	19	18,809,000	2
16.	**Virginia Slims**	PM	1,691,000	13,793,000	4	4,127,000	17
17.	**Pall Mall**	Amer	1,678,000	45,000	—	139,000	—
18.	**Camel**	RJR	1,452,000	2,471,000	18	10,640,000	8
19.	**Benson & Hedges**	PM	1,296,000	6,742,000	9	13,296,000	6
20.	**Kent**	Lor	1,014,000	2,631,000	17	5,603,000	13
	Total top 20		$109,353,000	$151,576,000	−28%		
	All others		16,278,000	48,258,000			
	Grand total		$125,631,000	$199,834,000	−37%		
	Percent of total		87%	76%			

Source: Media Records

Manufacturer code: Amer–American Tobacco; B&W–Brown & Williamson (BAT); L&M–Ligget & Myers (Grandmet); Lor–Lorillard (Loews); PM–Philip Morris; RJR–Reynolds

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Cigarettes					
Players	15,278,000	7,498,000	–	23,945,000	–
Ritz	11,364,000	1,415,000	–	–	–
Marlboro	9,927,000	29,064,000	29,328,000	11,062,000	13,207,000
Cargo airlines					
DHL	1,610,000	374,000	10,000	–	542,000
Emery	745,000	117,000	16,000	1,346,000	1,086,000
Southwest	420,000	–	–	–	–
Coffee					
Maxwell House	806,000	2,397,000	112,000	681,000	1,188,000
Community	418,000	328,000	149,000	161,000	176,000
Colombian Ground	334,000	269,000	143,000	83,000	31,000

quired other consumer product companies while expanding into new markets around the globe, but in the U.S., industry shipments have sagged from an all-time high of 640 billion units in 1980 to 583 billion in 1986. And extensive anti-advertising legislation proposed by Democrat Henry Waxman, a high-visibility issue for many in both houses of Congress, remains a dark cloud over the industry.

Right or wrong, onlookers speculate that tobacco companies are cutting back on media in part to make cigarettes less of a target for a selective ad ban. One thing's for sure: Declining sales have put a clamp on brand introductions, heated up competition and pressured companies to expand their point-of-sale and other non-media activities.

"Tobacco isn't a growth industry," says Robert E. Neal, group director, media administration for RJR. "Our best opportunity is to take sales away from competing companies' brands. More money is going into non-media areas such as promotion, trade merchandising and sales-related activities, which can definitely boost sales in the short term." Yet while overall spending is down, he adds, "if you balance it off against the number of brands being advertised, spending is probably not so far off."

CORPORATE NEWSPAPER INVESTMENTS OF CIGARETTE ADVERTISERS

	1986	Percent of total	1985	Percent change
Philip Morris	$45,750,000	41%	$66,085,000	–31%
R.J. Reynolds	44,311,000	39	68,287,000	–36
American	8,972,000	8	2,513,000	+257
Loews (Lorillard)	8,102,000	7	13,872,000	–42
BAT Industries (B&W)	5,256,000	5	27,295,000	–81
Grandmet (L&M)	21,000	—	3,672,000	–99
"Big Six" Total	$112,433,000	100%	$181,824,000	–38%

Source: Media Records/*M&MD*

"Newspapers are most often used for introductions because of the immediacy of the medium," notes Claude Beck, media director at Philip Morris. Not only are introductions down, marketers say, brands in test aren't making it out into the market the way they used to and some brands are being pulled off the shelves and sent back for more market testing. RJR, for instance, has eliminated its Sterling brand and pulled some other brands back into geographic tests.

Newspapers are expensive by tonnage-seeking marketers' cost-per-thousand standards, but as RJR's Neal puts it, "if you can only advertise in three media, you don't want to eliminate one." So the *Columbus Dispatch*'s refusal to accept tobacco advertising after May 1 has caused a degree of alarm. Thomas Sherrill, vice president, marketing at the paper, says the *Columbus Dispatch* made the decision to cut off "substantial revenues" it attracts from tobacco advertisers on the logic that accepting tobacco ads conflicted with its editorial writings exposing the habit's health risks.

Sherrill expects "maybe six or eight" other papers will follow within the next year, and NAB's Standen "wouldn't be surprised" if papers do cut off tobacco on an isolated basis. "But I don't see this as the wave of the future," says Standen. "I don't think it's a crisis of conscience for most publishers because publishing a tobacco ad shows support for commercial free speech."

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Computers					
IBM	14,384,000	28,703,000	33,014,000	7,786,000	4,630,000
Apple	7,864,000	8,139,000	8,026,000	5,123,000	2,235,000
Epson	7,796,000	5,975,000	9,744,000	7,237,000	146,000
Cosmetics					
Tova 9	2,356,000	2,301,000	1,878,000	1,939,000	1,040,000
Estee Lauder	893,000	823,000	631,000	679,000	432,000
Neutrogena	861,000	617,000	247,000	–	37,000
Couponers					
Valassis	169,452,000	129,958,000	99,256,000	61,735,000	38,951,000
Marketing Corp. of America – NCC/BFD	123,114,000	109,419,000	79,569,000	36,230,000	40,751,000
Marketing Showcase/Product Movers	79,995,000	79,997,000	50,675,000	35,377,000	20,543,000
Farm/garden tools					
Snapper	5,867,000	4,930,000	3,835,000	3,799,000	2,667,000
Toro	3,609,000	3,502,000	3,007,000	2,887,000	2,387,000
Lawn Boy	2,740,000	2,071,000	1,446,000	980,000	648,000
Floor coverings					
Armstrong	3,657,000	4,141,000	777,000	959,000	1,674,000
Stainmaster	543,000	–	–	–	–
Mannington	344,000	281,000	219,000	165,000	132,000

Package goods advertisers can earn retail rate parity in Pittsburgh

Manufacturers of package goods (food, health & beauty aids, proprietary drugs and alcoholic beverages) who advertise on food pages of the Sunday Press and/or daily combinations of The Press and Post-Gazette . . . can earn rates comparable to those paid by retailers.

Available in 13, 26 and 52 week programs.

For details contact:

Don Fox, 412/263-1353, Hal Schmitt, 421/263-1348
or Bill McCormick, 412/263-1336 at The Pittsburgh Press
. . . or your nearest office of Sawyer • Ferguson • Walker Co., Inc.

The Pittsburgh Press
SCRIPPS HOWARD
EVENING–SUNDAY

Pittsburgh Post-Gazette
MORNING

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Fruits & vegetable juices					
Tropicana	952,000	252,000	496,000	974,000	1,010,000
Donald Duck	477,000	129,000	203,000	266,000	52,000
Citrus Hill	430,000	–	21,000	34,000	–
Gas/oil					
Mobil	7,428,000	7,137,000	6,448,000	6,475,000	7,226,000
Exxon	3,491,000	2,742,000	1,711,000	1,808,000	1,304,000
Atlantic Richfield	1,967,000	423,000	2,848,000	313,000	532,000
Headache remedies/sedatives					
Tylenol	1,286,000	–	51,000	32,000	452,000
Bayer	358,000	52,000	177,000	10,000	157,000
Excedrin	278,000	–	–	114,000	149,000
Insurance – Life					
Physicians Mutual	2,591,000	1,996,000	2,219,000	1,705,000	1,657,000
Metropolitan Life	2,118,000	1,676,000	1,151,000	242,000	1,614,000
Prudential	1,489,000	329,000	241,000	219,000	182,000

ALCOHOLIC BEVERAGES: THE NEW ORDER

Long a newspaper advertising staple, liquor manufacturers are suffering a hangover from their heyday, aggravated by that most troublesome of trends, the "fitness lifestyle." Their sales have dropped steadily since 1980 as younger drinking Americans have switched largely to beer, wine and wine products. While their prices have been kept down and their costs of doing business have continued to rise, a host of state-tax hikes have put an extra squeeze on profits. The latest round of proposed federal taxes on liquor are more cause for worry.

They have, quite simply, less money to spend, and newspapers, like magazines, are feeling the pinch. Spending for hard liquor dropped 24.9% to $42.8 million in 1986, says Media Records, sending the alcoholic beverage category down another 10.9% to $77.9 million.

"There is just less money available for advertising in general," confirms Alan Goldin, director of House of Seagram Media. Since, as he puts it, "the job overall now is to capture share from existing competition," Seagram led the way in 1986 into using newspapers more on a promotional basis — a tactic that has worked well enough for Goldin to predict the industry will increase its promotional advertising.

"But that doesn't mean newspapers can't be used for image advertising," Goldin adds. The keys are color and price. Seagram's is looking into four-color newspaper ads to build brand images; the company is already running a black-and-white campaign of one-third vertical pages, to build the Glenlivet image, in the *Wall Street Journal*.

Price — high out-of-pocket, high CPM and, of course, the rate differential — is a bigger obstacle. The special liquor rate (essentially retail plus 15% commission) being offered by the *San Antonio Express-News, Tulsa World & Tribune, Louisiana State Times & Morning Advocate* and *Albuquerque Journal* is just what newspapers need, thinks Goldin. Meanwhile, Seagram is negotiating elimination or great reduction of the rate differential with papers across the country. Once news breaks of Seagram's success, other marketers will likely do the same.

Alcoholic beverage marketers have traditionally put the greatest ad support behind the products that are selling best. Fruity, softer, light-seeming wine coolers have made a hit with the new-generation drinker, and the pressure is on to spend — but so far in the recognized image media, tv and magazines. Coolers are one category newspaper sellers are out to crack in 1987.

Newspapers have a hope in beer, a category targeted by the joint-selling team of the NAB, *New York Times, Los Angeles Times, Chicago Tribune, Washington Post* and *Boston Globe*. Beer marketers spent 40.4% more ($27.6 million) in the medium in 1986. According to Edna Dickinson, media manager in charge of print planning for Anheuser-Busch at D'Arcy Masius Benton & Bowles/St. Louis, the 1986 total reflects a need for promotional heavy-ups in local markets and a rise in co-op advertising. Newspapers' brand-building pitch, once again, will aim to crack the age-old mindset of the medium's value. ■

AUTOMOTIVE: A FINANCING BONANZA

Lagging 1985 sales, factory surpluses and the ensuing financing battle among Detroit's Big Three automakers made the category one of the big bright spots for newspapers in 1986. With consumers' appetites whetted for low-ball pricing and competitors constantly threatening with yet another rebate or financing offer, the Big Three turned instinctively to the immediate media. As a result, the medium recorded a 12.7% increase in auto revenues ($758.4 million in total) over 1985, says Media Records.

"You're basically seeing increased support for the [financing] programs," confirms Herb Meyers, media supervisor for advertising and communications at Ford Motor Co. "They have to be announced very rapidly, so you're seeing tv and newspapers."

Major markets saw the kind of ads that newspaper publishers have been selling ever since tv captured the fancy of American viewers and marketers: long copy detailing product attributes and the best deal yet. "Newspapers allow us to put in a lot of detailed rules on short notice," agrees Edward Roggenkamp, field marketing manager for Chevrolet.

Newspapers are also proving more attractive to dealer associations, which, according to the NAB, have more money to spend and are veering away from an infatuation with spot tv.

Some of the imports have entered the financing fray as the lower end of the market swells with entries from big-name brands, such as Volkswagen's new Fox. "Imports always have been reluctant to offer incentives directly to the consumer," notes Val Corradi, vice president, automotive for the Newspaper Advertising Bureau. "But now they're emulating what the marketplace is doing."

Of course, the danger, as Corradi puts it, is that, "carmakers have trained the public to wait for better incentives." When incentives abate, newspapers will have to fight old patterns, a growing experimentation with radio and their own pricing to get the Detroit brand-building schedules that can keep their business up.

For now, admits NAB's Corradi, it's the imports — led by Mercedes-Benz, which hand picks markets for long performance and image ads — that have used newspapers to build image. While sellers see a bright spot in Chevrolet's three-step approach for Nova, which combines the separate strengths of newspapers, tv and radio, and 1988 truck rollout in newspapers, the medium plays an essentially promotional role in each case. The truck rollout featured six color pages in 50 high-prospect markets.

Still, regionalization brings another hope. Ford has had area marketing managers in place for over a year and a half, General Motors for roughly a year; and even GM agency Campbell-Ewald is correspondingly divided into regional groups. The NAB is poised to meet the trend with a new study that finds that in 1986 newspapers lowered the cost of reaching new-car buying prospects over other media by as much as 239% in the top 10 markets.

NEWSPAPER AUTOMOTIVE DOLLARS: WHERE THEY COME FROM

			Total (100%)		Percent of auto total (100%) from:		
Rank	Brand	1986 Newspaper investment	Trucks, campers, vans	Auto	Factory	Dealer assns.	Local dealers
1.	Ford	$50,999,000	9%	91%	20%	19%	61%
2.	Chevrolet	49,417,000	9	91	16	7	77
3.	Cadillac	27,644,000	0	100	3	10	87
4.	Oldsmobile	24,319,000	0	100	19	18	63
5.	Chrysler	23,363,000	0	100	39	3	58
6.	Mercedes-Benz	23,337,000	1	99	73	2	25
7.	Toyota	22,866,000	20	80	13	5	82
8.	Buick	18,875,000	0	100	12	26	62
9.	Lincoln	17,874,000	0	100	8	26	66
10.	Nissan	17,610,000	21	79	19	9	72
11.	Dodge	16,348,000	14	86	11	8	81
12.	Honda	12,058,000	0	100	10	5	85
13.	Hyundai	10,396,000	0	100	13	2	85
14.	BMW	10,378,000	0	100	52	17	31
15.	Pontiac	10,067,000	0	100	14	6	80
16.	Jaguar	9,084,000	0	100	53	8	39
17.	Volkswagen	7,361,000	7	93	38	25	37
18.	Isuzu	7,346,000	15	85	62	1	37
19.	Acura	7,084,000	0	100	25	2	73
20.	Peugeot	6,993,000	0	100	75	8	17
21.	Mazda	6,173,000	10	90	4	6	90
22.	American	5,855,000	0	100	7	27	66
23.	Volvo	5,754,000	1	99	48	10	42
24.	Audi	5,593,000	0	100	46	13	41
25.	Subaru	5,210,000	0	100	9	18	73

Source: Media Records/*M&MD*

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Jewelry/watches					
Seiko	3,089,000	3,466,000	5,163,000	1,252,000	1,299,000
Movado	751,000	319,000	267,000	326,000	94,000
Concord	509,000	386,000	303,000	353,000	392,000
Lotteries					
New York State	1,010,000	1,317,000	702,000	793,000	923,000
California	979,000	752,000	–	–	–
Connecticut	731,000	347,000	222,000	262,000	283,000
Liquors					
Seagram's	3,304,000	4,332,000	5,694,000	1,516,000	3,418,000
Dewar's White Label	1,564,000	2,719,000	1,475,000	1,292,000	929,000
Ballantine's	1,394,000	1,841,000	1,623,000	1,149,000	253,000
Magazines					
Spirit of America	1,881,000	–	–	–	–
Vista	1,782,000	414,000	–	–	–
Time	1,117,000	1,907,000	1,470,000	1,803,000	2,526,000

Big spenders.

Tampa Bay is home to some of the biggest spenders in Florida. In 1985, St. Petersburg-Tampa-Clearwater residents rang up $11.5-billion in total retail sales, making this metro area second in the state and third in the entire Southeast.

If you want some big spenders to spend some time with you, invest in the biggest and best newspaper in Tampa Bay, the St. Petersburg Times.

Tampa Bay's most popular paper leads its closest competitor by nearly 60,000 copies daily and more than 68,000 on Sunday!* So start thinking big. Big spenders, big audience, big profits. Call your St. Petersburg Times representative at 813/893-8249 today!

*ABC FAS FAX 6 months ending 3/31/86.

St. Petersburg Times

Represented nationally by CWO & O.

TAHITI
HAWAII

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Mail order					
Franklin Mint	7,298,000	6,960,000	6,654,000	8,340,000	8,678,000
Shopping Mart	3,807,000	4,049,000	5,335,000	5,253,000	3,344,000
Old Village Shop	2,152,000	817,000	157,000	1,981,000	3,733,000
Meats/fish/poultry					
Perdue Chicken Products	3,397,000	923,000	417,000	739,000	1,519,000
Bryan Meat Products	566,000	431,000	422,000	380,000	436,000
Hormel Meat Products	557,000	1,529,000	5,122,000	4,299,000	3,203,000
Newspapers					
The Wall Street Journal	1,259,000	530,000	557,000	649,000	423,000
Times Mirror Co.	1,120,000	138,000	403,000	–	–
The New York Times	773,000	500,000	1,249,000	–	44,000
Office equipment (minus computers)					
Xerox	5,012,000	8,882,000	7,819,000	12,892,000	5,728,000
IBM	2,255,000	1,907,000	491,000	1,227,000	2,598,000
Canon	1,199,000	1,912,000	1,575,000	163,000	4,000
Paints					
Sherwin Williams	1,061,000	1,852,000	891,000	647,000	353,000
Benjamin Moore	659,000	504,000	579,000	311,000	277,000
Olympic	373,000	1,131,000	55,000	71,000	327,000

AIRLINES: THE SKY'S THINNING

Hype, hype and more hype was the rule in a one-upmanship promotional year for the airline industry. Where there's blaring promotion, it seems, there's a success story for newspapers. The war of discount fares that dropped as far as the $50 range boosted air travel to record levels (over 418 million passengers, with over 450 million expected in 1987) and fueled a newspaper spending total of $339.5 million, an increase of 14% over 1985 by Media Records' measure.

Just as it did for deal-offering automakers, the newspaper medium provided airlines with a vehicle for getting out complicated fare promotions overnight. Eastern Airlines vice president of advertising William Dowse, for one, increased his company's spending 14.4% to nearly $30 million in 1986. He doesn't see the fare environment settling down anytime soon. "I think you're going to see constant experimentation with discounts to level off some of the dips we always have in our traffic," he says.

Major-market papers (homes of the largest airports) got the bulk of the business from the top U.S. carriers. That stands to reason: Anywhere from 60-to-75% of top airlines' revenues, Dowse thinks, stem from the top 20 markets. As long as fare discounts keep going strong, major market papers will be kept happy.

But sellers see some turbulence ahead. Since May 1985, the Department of Transportation has approved 19 mergers and acquisitions of airline carriers, the most celebrated including Texas Air's October 1986 acquisition of Eastern Airlines. As a result, newspaper sellers face a category where there are fewer advertisers with less money to spend, since mergers rarely produce overall budgets that combine each party's individual outlays. In some cases, the mergers add speed to an ongoing, industrywide consolidation of routes that favors high-traffic markets. The bet is that merger partners will concentrate spending even more heavily in the markets that bring them the highest volume.

While legislation facing other categories could hurt newspapers, the medium might get a boost if one of two bills requiring airlines to be more complete in spelling out fare opportunities in ads passes in Congress (see "On the Docket," pg. 148). That would buck a trend, kicked off by United Airlines, toward advertising fare opportunities with a general price range in tv spots.

Price — specifically the medium's refusal to cut the rate differential for airlines that have local ticket offices — is heating up as an issue as control concentrates within the industry. One direct marketing route that has caught marketers' fancies is to sell special offers to specific customers constituencies (frequent flyer clubs, for example) listed in central data banks.

"I think this bodes badly for newspapers in the long run," says Dowse. "1986 will prove to be a vintage year, like 1961 in Bordeaux wines. We'll probably never reach those levels of newspaper advertising again."

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Pet foods					
Purina	1,052,000	1,405,000	1,030,000	1,565,000	2,163,000
Iams	366,000	302,000	–	–	–
Alpo	347,000	562,000	1,444,000	776,000	247,000
Phonographs/records/tapes					
Columbia	8,819,000	10,211,000	10,274,000	7,959,000	7,018,000
RCA	3,905,000	4,330,000	6,712,000	8,723,000	6,966,000
CBS	2,923,000	2,178,000	939,000	280,000	87,000
Prepared dishes					
Swanson	525,000	78,000	144,000	177,000	238,000
Old El Paso	351,000	250,000	245,000	49,000	–
On Cor Entrees	324,000	607,000	902,000	299,000	95,000
Public utilities					
AT&T	30,098,000	49,565,000	47,865,000	23,610,000	4,426,000
General Telephone & Electronics	14,862,000	13,382,000	11,299,000	4,655,000	1,258,000
NYNEX	8,953,000	5,379,000	4,372,000	1,331,000	–
Radio/tv sets					
RCA	1,643,000	1,427,000	6,391,000	3,936,000	2,991,000
Zenith	897,000	1,220,000	1,602,000	963,000	865,000
NEC	641,000	–	–	–	–

AKRON BAG LADIES

They're everywhere. Toting bags. Pushing shopping carts filled to the brim...with groceries.

In the four-county area surrounding Akron, shoppers spent nearly $1.4 billion on food purchases. That's no small potatoes. The problem is these shoppers may not be buying your brand if you're not advertising in their brand of newspaper—The Beacon Journal.

Considering 30% of the Cleveland ADI is in the Akron Newspaper Designated Market, you may be missing a lot of coupon clippers who shop at the large regional chains as well as locally owned and operated supermarkets. With daily readership totalling 312,000, The Beacon Journal provides a large audience hungry for your products.

Put Akron on your media shopping list. Advertise in the city's appetizing newspaper.

The Beacon Journal

44 East Exchange Street Akron, Ohio 44328 216/375-8261 A Knight-Ridder Newspaper

Circulation Figures/1986 ABC Reports

Population & Household Figures/© 1987 S&MM Survey of Buying Power Data Service

Preserve the wild life.

Every year, more families are choosing to make their home closer to the forest. They're choosing to keep the home fires burning. Which they will. As long as you don't burn down their home. Remember. Only you can prevent forest fires.

Ad Council

A Public Service of the Ad Council, the U.S.D.A. Forest Service and your State Forester

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Radio/tv stations					
NBC	8,094,000	9,852,000	10,067,000	7,816,000	11,383,000
CBS	7,811,000	9,113,000	9,649,000	6,695,000	8,424,000
ABC	7,198,000	14,388,000	12,144,000	10,228,000	10,241,000
Railroads					
Amtrak	3,800,000	6,756,000	9,505,000	5,979,000	5,358,000
Conrail	1,560,000	1,353,000	162,000	26,000	63,000
Assn. of American Railroads	346,000	332,000	10,000	112,000	167,000
Ranges/stoves/dishwashers					
Kitchen Aid	2,424,000	3,139,000	1,750,000	766,000	1,012,000
G.E.	1,287,000	1,485,000	1,455,000	2,182,000	655,000
Jenn	570,000	405,000	767,000	612,000	339,000
Soaps/cleansers/polishes					
Morton water softener	594,000	534,000	545,000	25,000	112,000
Tide	246,000	621,000	18,000	20,000	20,000
Bold	159,000	78,000	–	11,000	13,000
Soft drinks					
Pepsi-Cola	6,239,000	4,323,000	3,268,000	5,198,000	2,410,000
Coca-Cola	4,108,000	5,644,000	3,893,000	4,267,000	2,535,000
Slice	2,419,000	1,102,000	187,000	–	–

Herald City: 356,879*upscale households.

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This Week
John Drury

One unbeatable TMC opportunity.

Herald City is the 48 northwest and western Chicago suburbs that call the Daily Herald their newspaper. Suburbs with a median income of $42,000* and a median home value of $117,487*. Suburbs *spending more per household in total retail sales* than any equivalent suburban area. The new "reader friendly" Daily Herald, plus This Week, its sprightly companion publication, give you *total market coverage* of Chicagoland's most dynamic market. Call Jim Walsh at 312-870-3600.

*Source: CACI Demographic Services

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FIGHT CANCER. EAT YOUR VEGETABLES.

There's strong evidence your greengrocer has access to cancer protection you won't find in any doctor's office.

Like broccoli, peaches, spinach, tomatoes, citrus fruits and various other types of fruits and vegetables. They may help reduce the risk of some forms of cancer.

Write for more information.

AMERICAN CANCER SOCIETY®

1986

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1986	1985	1984	1983	1982
Steamship lines					
Royal Caribbean	7,175,000	6,591,000	6,860,000	4,580,000	2,577,000
Norwegian Caribbean	6,075,000	7,043,000	5,028,000	4,684,000	3,898,000
Cunard	5,467,000	8,791,000	9,519,000	4,947,000	5,232,000
Tours/travel service					
Liberty Travel	13,871,000	10,901,000	7,872,000	5,356,000	3,853,000
American Express	12,712,000	14,121,000	10,793,000	7,226,000	8,557,000
May Co. World Travel	9,858,000	5,256,000	4,380,000	4,349,000	1,765,000
Trucks/campers/vans					
Ford	4,769,000	4,116,000	3,328,000	2,747,000	1,578,000
Chevy	4,661,000	4,355,000	2,630,000	1,481,000	1,267,000
Toyota	4,474,000	3,732,000	4,583,000	1,476,000	1,561,000
Wearing apparel					
Fashion Galaxy	1,309,000	727,000	25,000	147,000	–
Esprit Apparel	659,000	20,000	–	–	62,000
Hush Puppies	620,000	664,000	1,354,000	1,876,000	1,290,000
Wine coolers					
Dewey-Stevens	1,103,000	–	–	–	–
Seagram's	595,000	301,000	–	–	–
Babrys Champagne Cooler	256,000	633,000	–	–	–

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#1 THE TIMES
for All Local News, Sports and Advertising in N.W. Indiana and S.E. Suburban Chicago

1986

NATIONAL ADVERTISING INVESTMENTS IN NEWSPAPERS, 1986-1985

Classification	1986 (000)	1985 (000)	Percent change
AUTOMOTIVE			
Gasoline & Oil Companies	$23,899	$18,164	+31.6%
Leasing & Rentals	71,546	78,759	−9.2
Parts, Accessories & Supplies	7,188	7,227	−0.5
Passenger Cars (New)	622,866	537,998	+15.8
Trucks, Trailers & Mobile Homes	31,511	28,366	+11.1
Automotive Not Elsewhere Classified	1,424	2,653	−46.3
AUTOMOTIVE TOTAL	$758,434	$673,167	12.7
GENERAL			
Alcoholic Beverages	77,936	87,459	−10.9
Beers	27,614	19,665	+40.4
Wines	7,535	10,813	−30.3
Liquors	42,787	56,981	−24.9
Amusements	18,315	13,546	+35.2
Cameras, Photo Supplies & Services	13,017	13,950	−6.7
Computers, Equipment & Services	54,368	92,651	−41.3
Educational	62,972	56,446	+11.6
Farm & Garden	40,702	37,604	+8.2
Foods	138,555	150,946	−8.2
Baby Foods	305	969	−68.5
Bakery Goods	8,543	9,267	−7.8
Baking Mixes, Flour & Ingredients	1,280	996	+28.5
Beverages	42,536	42,283	+0.6
Coffee	3,557	5,605	−36.5
Tea	1,236	1,330	−7.1
Fruit & Vegetable Juices	4,727	3,941	+19.9
Soft Drinks-Carbonated-Diet	2,842	3,268	−13.0
Soft Drinks-Carbonated-Non-Diet	22,444	21,969	+2.2
Miscellaneous Beverages	7,730	6,170	+25.3
Cereals	2,470	3,395	−27.2
Condiments	7,557	6,436	+17.4
Confectionery & Snacks	4,606	8,748	−47.3
Dairy Products	19,341	20,720	−6.7
Desserts & Dessert Ingredients	562	1,384	−59.4
Fruits & Vegetables	5,244	7,457	−29.7
Macaroni Products-Uncooked	1,992	1,844	+8.0
Meats, Fish & Poultry	19,959	19,210	+3.9
Prepared Dinners & Dishes	6,794	7,652	−11.2
Shortenings, Oils & Margarines	1,906	4,472	−57.4
Soups	1,253	2,627	−52.3
Sugars, Syrups & Jellies	1,830	1,696	+7.9
Miscellaneous Foods	12,377	11,790	+5.0
Franchise Offers	6,031	9,016	−33.1
Help Wanted	80,251	97,466	−17.7
Hotels & Motels	220,421	196,451	+12.2
Hotels, Motels & Resorts	167,621	147,806	+13.4
Resort Area Development	52,800	48,645	+8.5
Household Furniture & Furnishings	20,180	24,499	−17.6
Floor Coverings	5,777	5,394	+7.1
Furnishings	9,529	14,818	−35.7
Furniture	4,874	4,287	+13.7
Household Heating & Home Heating Equipment	10,838	14,627	−25.9
Household Supplies	30,017	42,304	−29.0
Aluminum & Paper Products	2,455	5,398	−54.5
Disinfectants & Insecticides	1,327	2,059	−35.6
Home Building Materials & Tools	10,542	14,463	−27.1
Paints, Wall Coverings & Other Finishes	5,015	7,688	−34.8
Soaps, Cleansers & Polishes	6,030	8,250	−26.9
Miscellaneous Household Supplies	4,648	4,446	+4.5
Household Equipment & Appliances	69,711	73,731	−5.5
Air Conditioning	7,525	7,292	+3.2
Phonographs, Records, Tapes & Recorders	23,952	24,361	−1.7
Radio & TV Sets	4,796	6,239	−23.1
Ranges, Stoves & Dishwashers	6,011	7,510	−20.0
Refrigerators & Freezers	1,572	1,794	−12.4
Small Electrical Appliances	3,323	3,821	−13.0
Washers & Dryers	1,017	1,355	−24.9
Miscellaneous Household Equipment & Appliances	21,515	21,359	+0.7
Industrial	59,774	65,655	−9.0
Aircraft & Equipment	2,904	3,273	−11.3
Industrial Area Development	7,833	6,040	+29.7
Office Equipment & Stationery Supplies	15,350	22,827	−32.8
Industrial Materials & Machinery	12,253	12,434	−1.5
Miscellaneous Industrial	21,434	21,081	+1.7
Insurance	89,456	84,132	+6.3
Life, Health & Medical	84,965	78,763	+7.9
Fire Casualty & Other	4,491	5,369	−16.4
Jewelry, Watches & Silverware	9,253	11,807	−21.6
Mail Order	60,013	55,867	+7.4
Medical Products & Drugs	19,800	19,655	+0.7
Pets & Pet Supplies	5,638	7,228	−22.0
Pet Foods	3,482	4,907	−29.0
Pets & Pet Supplies	2,156	2,321	−7.1
Political	18,779	6,619	+183.7
Professional & Service	24,510	21,036	+16.5
Public Service Utilities & Communications	151,651	176,720	−14.2
Publishing & Media	241,969	237,436	+1.9
Books	43,071	39,600	+8.8
Magazines	26,026	26,996	−3.6
Newspapers	9,380	9,558	−1.9
Radio & TV Stations	163,492	161,282	+1.4
Real Estate	70,227	65,581	+7.1
Sporting & Leisure Time Equipment	7,063	7,645	−7.6
Tobacco	129,009	204,013	−36.8
Cigars	1,131	1,511	−25.1
Cigarettes	125,631	199,834	−37.1

1986

NATIONAL ADVERTISING INVESTMENTS IN NEWSPAPERS, 1986-1985

Classification	1986 (000)	1985 (000)	Percent change
Tobacco & Smoking Accessories	2,247	2,668	−15.8
Toiletries & Toilet Goods	24,522	30,594	−19.8
Cosmetics, Make-Up & Manicure Products	10,261	9,830	+4.4
Dental Supplies & Mouthwashes	1,200	4,273	−71.9
Feminine Hygienic Products	179	2,237	−92.0
Men's Toiletries & Hair Products	1,574	2,792	−43.6
Men's & Women's Shaving Equipment	375	272	+37.9
Perfumes & Toilet Water	1,514	1,105	+37.0
Toilet Soaps, Bath Powders & Deodorants	2,300	3,270	−29.7
Women's Hair Products & Treatments	4,198	496	+746.4
Miscellaneous Toiletries & Toilet Goods	2,921	6,319	−53.8
Transportation	648,069	604,593	+7.2
Airlines	339,501	297,758	+14.0
Domestic	176,630	170,884	+3.4
International	158,948	121,610	+30.7
Cargo	3,923	5,264	−25.5
Bus Lines	10,934	9,866	+10.8
Railroads	7,502	10,153	−26.1
Steamships	91,198	91,947	−0.8
Tours & Travel Service	192,494	186,417	+3.3
Miscellaneous Transportation	6,440	8,452	−23.8
Wearing Apparel	26,705	29,005	−7.9
General Not Elsewhere Classified	471,512	424,538	+11.1
GENERAL TOTAL	**$2,901,264**	**$2,962,820**	**−2.1**

Classifications projected to U.S. totals by Media Records ©1986

The full report is available from Media Records, Seven Penn Plaza, New York, N.Y. 10001. Prices are $1,275 for the full report; $190 to $370 for complete class breakouts; and $135 for a sub-class reading.

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BRAND REPORT

No. 143: Men's Fragrances

VIAL STRATEGIES

by Paula Schnorbus

Take a whiff. Let the tradition comfort you, the sensuality envelope you, the machismo attack you. The men's fragrance industry doesn't leave any stereotype untouched, but seems to embrace all of them in a near stranglehold.

As consumers drown in a vat of such imagery, the men's fragrance industry appears to be simply treading water. "It's a mature market," comments Goldman Sachs assistant analyst Sheldon F. Kasowitz. "It's pretty much been penetrated and has brought fragrances to everyone who's going to wear them." He says men's and women's fragrance sales are "slightly up," and predicts 1% to 2% unit growth for

MEN'S FRAGRANCE 1986 MEDIA EXPENDITURES (000)

	Media Total	Network Television	Spot Television	Cable TV Networks	Network Radio	Magazines	Sunday Magazines	Newspapers*
Aramis	4,025.3	–	3,147.3	–	–	664.9	67.0	146.1
Chaps	3,460.3	2,471.8	151.7	76.2	–	760.6	–	–
Drakkar Noir	2,052.8	–	1,531.0	–	–	521.8	–	–
Jovan Musk	1,165.7	184.7	31.0	0.2	230.8	719.0	–	–
Obsession for Men	3,868.9	–	2,040.0	–	–	1,798.2	30.7	–
Old Spice	7,048.1	3,932.2	1,662.0	352.7	211.7	889.5	–	–
Polo	4,719.2	21.5	4,062.6	–	–	563.1	72.0	–
Stetson	5,825.8	5,007.8	167.0	28.0	–	623.0	–	–

NOTE: Media totals include all toiletry products under the brand name.
*Source: Leading National Advertisers; *Media Records. No outdoor or RER spot radio expenditures were reported.*

TERRY ALLEN

There isn't any shortage of raw flesh in Obsession for Men product ads.

the men's scents.

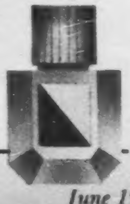
Annette Green, executive director of the Fragrance Foundation, says the only reason the industry has grown at all is because men have started to buy cologne themselves rather than just receiving it as a Christmas or Father's Day gift.

Some of that hard-earned growth may be the result of a rethinking of marketing tactics. Fragrances once targeted only to businessmen in their 30's are being opened up and pitched to a younger, upscale man. Ralph Lauren's Polo is corraling in new customers through an aggressive direct-mail campaign that has been an "enormous success." And Obsession for Men scored with scented magazine inserts and tv ads in a pre-sell campaign that ran months before the fragrance was on store shelves.

William Fitzgerald, marketing consultant, says the straight liquid of colognes and aftershaves is about a $1.2 billion industry. "It had been doing very well over the past few years," he savs, "but it slowed down in 1986." Fitzgerald contradicts reports of growth in the category. He admits that the gross rates of men's fragrances have been better than the women's market. But Fitzgerald also notes that the prices of men's fragrances are rising while overall sales are decreasing.

As for more male customers, "It took a long time in America for men to get serious about *deodorants*," says Fitzgerald. The makers of the biggest-selling fragrances maintain that women buy 50% to 70% of the potions for the men in their lives, which explains the dual nature of most marketers' media plans. Rayda Vega, a senior creative perfumer at fragrance supplier de Laire, maintains that traditionally, "Men don't go and shop for their colognes. They say to their wives, 'Pick up my usual.' "

Traditional men won't buy cologne. "The more eclectic, better educated, higher income male may change. Rudy Redneck will stay as he is."



To attract women to a specific men's cologne, a company may make his-and-her gift sets or provide incentives of a gift-with-purchase for a cologne or a purchase-with-purchase offer by which buying a fragrance for a certain amount makes the customer eligible to buy something else at a discount price. These GWP's and PWP's, as they are called, are becoming the bane of the industry's existence. "It's merciless because, if you give away a product," says Fitzgerald, "you might as well give them a $10 bill. Some of this stuff lasts a long time. Even a small bottle can take them out of the market three months or more."

Trying to get a man into a fragrance department entails education, observes Fitzgerald. "The more electric, better educated, higher income male may change. Rudy Redneck will stay as he is," he quips. Scent strips in magazines are hailed by some manufacturers and analysts as the way to sneak in a sniff for men who are cologne-counter shy. The strips also may carry order forms or toll-free numbers to bypass a department store and receive a free sample in the mail.

Alan Mottus, independent industry consultant, notes that the success of Estee Lauder's Aramis stems from cross-selling the product to women by initially placing Aramis at the Estee Lauder counter. Men's colognes also are sold in store cosmetic areas and in men's clothing departments, where it is believed men will feel more comfortable trying fragrances.

Men's fragrances are advertised predominantly on television, in women's books around holidays as well as men's books and in trade magazines such as *Product Marketing* and *Women's Wear Daily*. Co-op advertising in local newspapers is done in conjunction with retailers for promotional activities.

The industry splits fragrances into two categories: mass-market and department or specialty store brands.

Mass-market colognes are generally found in drugstores. This category tries really hard not to step on a man's masculinity by offering "comfortable" aromas with names like Old Spice and Chaps.

The department store group is seemingly more adventurous, certainly sexual, i.e., Obsession for Men, and quite obviously pitched to yuppies, such as the Aramis ad with a well-dressed young man on the go with his *Wall Street Journal* and squash racket tucked into his knapsack. Cosmair Inc.'s Jane Terker, vice president of marketing, men's division of designer fragrances, explains that department store and drugstore fragrances are targeted to "totally different customers." A department store has an atmosphere designed for shopping around and trying different products, she explains. In a drugstore, a customer is coming in to buy necessities like toothpaste and deodorant. Cosmair markets its Polo and Drakkar Noir fragrances in department stores and Chaps in drugstores.

STETSON FITS.
STETSON

The Stetson name gives men "permission" to wear cologne.

The "sex appeal" marketing ploy used by many of the men's fragrance companies is diminishing, Green observes, adding that AIDS awareness "will shift away the eroticism of fragrance appeal. The industry will have to show fragrance at a variety of levels," Green says. "We have only seen the tip of the iceberg."

Following is a recent list of the top-selling colognes. This list is based on information from Charles H. Kline & Co., a market research firm; Goldman Sachs analysts' reports; and Rayda Vega of de Laire.

The biggest selling mass-market brands are said to be Old Spice, Chaps, Stetson and Jovan Musk. Sources say recent market shares, based on all toiletry items under those brand names, are about 9.6% for Old Spice; 9.5% for Chaps; 7.6% for Stetson; and 5.8% for Jovan Musk.

The current biggest-selling department store brands are Aramis, Polo, Drakkar Noir and Obsession for Men. Market share of the brands is Aramis, 20%; Polo, 15% to 16%; Drakkar Noir, 6% to 7%; and Obsession for Men, 4% to 5%, according to Alan Mottus. He cautions that Obsession for Men's share is deceivingly low. He notes the fragrance was introduced late last year, but "wherever it was sold, it was selling better than any fragrance" during November and December.

Stetson tries to rope men into wearing the cologne by being easy to wear and comfortable.

MASS MERCHANDISERS

Stetson

Men are so hung up about wearing cologne that Stetson is trying to rope them in by satisfying men's emotional needs as well as rational objectives.

"Emotionally," says Joseph DiPietro, group marketing director of men's fragrances of the Coty division of Pfizer Inc., Stetson is appealing "because the Stetson name has been around for 125 years. It gives men permission to wear cologne." Rationally, Stetson is "comfortable and easy to wear."

Hence, taglines of "Stetson Fits" and "Appropriate for the Man You Are." Most of Stetson's business can be found by placing an upside down "T" across the U.S., with a concentration in the Southwest. In 1986, Stetson pulled in about $60 million in U.S. retail sales based on suggested prices, up 25% from 1985. DiPietro says that Stetson's sales are expected to be up another 25% in 1987.

Stetson is pitched to 18- to 49-year-old men, as well as women. About 85% of Stetson's 15- and 30-second ads are on network tv, mostly prime time shows such as *Dallas*, *Dynasty*, *Scarecrow & Mrs. King* and Monday night movies. Last year, the fragrance was advertised during the baseball playoffs and also on National League Football games. College sports are used on a local basis when the sales department asks for specific help, says DiPietro.

"At gift-giving time, women are important," DiPietro observes. During Christmas season, Stetson is more likely to be seen in gift guides and women's books such as *Cosmopolitan*, *Good Housekeeping*, *Seventeen* and *Essence*. Otherwise, magazines placements run the gamut. *People* is used for dual appeal, for example. And because of Stetson's "heritage," *Field & Stream* and *Outdoor Life* are used to talk directly to men. Radio isn't regularly used.

Stetson's big promotional event this

AMERICA'S
ALL-TIME FAVORITE

Old Spice targets a man who respects his family and his wife.

year is the "Great Outdoors Sweepstakes." They will be giving away fishing trips to Mexico, camping equipment and hunting outfits. In-store, DiPietro adds that because of Stetson's "continuing momentum," the product is getting increased shelf space, although some stores say "if you're not going to have a coupon or 99-cent specials, we don't want you." Periodically, Stetson will do display allowances, or pay for a contract to keep the product on display for a certain time period, says DiPietro. Shoppers, meanwhile, get Stetson-saturated towelettes as they wander the aisles.

Free samples also are provided at hotels such as Holiday Inn.

A joint promotion with Norelco for Stetson's recently introduced pre-electric shave lotion is being advertised in *Reader's Digest* and *Sports Illustrated*. The promotion includes tv advertising and free-standing inserts in Sunday newspapers that are expected to reach some 50 million homes.

Overall, Stetson's budget is 10% to 15% higher than last year, during which about $5.8 million was spent, says DiPietro, quoting LNA. Most of the expenditures were in network tv.

DiPietro says there may be a new commercial this Christmas by Warwick Advertising, which has been Stetson's agency since the beginning in 1981.

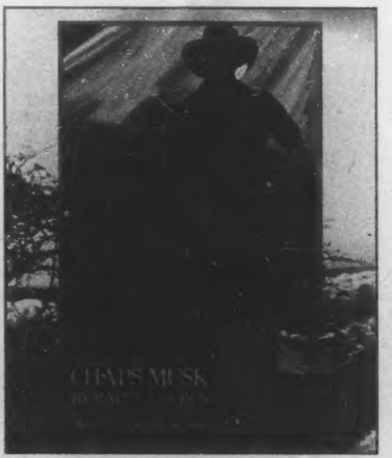
Chaps

Chaps is the mass-marketed Cosmair product under the Ralph Lauren banner for "people attracted to the designer image of Ralph Lauren and all he stands for."

Ron Rolleston, marketing director, Ralph Lauren/Chaps, says the scent is formulated for the 18- to 34-year-old group that has an annual income of more than $25,000. Chaps was introduced nationally in 1980, and a musk fragrance extension was rolled out two years ago.

Because the tagline of Chaps Musk is "Living Without Boundaries," sweepstakes are currently underway with a grand prize of a trip to any of the seven continents, be it Australia or Antarctica, and an additional prize of an Isuzu Trooper II. No purchase is required, but as an incentive, there are American Express "action checks" whereby a customer can buy a product at a $1 discount and gain immediate entry into the sweepstakes. Cosmeticians may put their names on the backs of the checks and be eligible to win an Isuzu. There are also men's grooming bags that are free with any Chaps purchase. Inside the bag is a 1.8-ounce bottle of cologne, after-shave or spray cologne.

The original Chaps is advertised on network and spot tv in 15- and 30-second commercials during prime time, late night, network news and daytime. Shows include *The Equalizer*, *Falcon Crest* and *Murder, She Wrote*. The musk fragrance is advertised in *People*, *Rolling Stone* and *Playboy*. Neither radio nor outdoor ads are currently used.



Chaps gives away trips to anywhere from Antarctica to Australia.

LNA reports that last year about $3.5 million was spent on advertising, a figure Rolleston calls "low." He says about $6 million to $7 million is being spent on promotions and advertising this year. Geers Gross is the ad agency.

Old Spice

Old Spice, which started flowing in 1936, is the grandfather of all the colognes discussed here, and its image is seemingly as old-fashioned. The voice-over in a recent tv ad states that Old Spice is "the favorite scent of the American man, and he'll never change his tune."

Old Spice is targeting males as young as 18, but you won't see any naked bodies or independent men involved in action-packed sports. Instead, the viewer sees family scenes reminiscent of *Father Knows Best*. Says Sheila Hopkins, strategic business unit manager for men's fragrances at Shulton Inc., a unit of American Cyanamid Co., "We are targeting against a traditional American man. He maintains respect for his family and his wife. He is a hard-working guy, not a trendy guy, but not old-fashioned. Our user is probably like a Budweiser user. You find him all over America; he's not upscale, but he's not necessarily downscale."

The bulk of advertising is on tv. The year-round ads are 30 seconds while 15-second ads also are used during Christmas. Commercials at Christmas are mostly in prime time and on soap

FIELD & STREAM

America's Number One Sportsman's Magazine.

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The Catfish lurks in waters everywhere from Arkansas to the Amazon.

Close contact with our readers through the years. That's what has made us America's Number One Sportsman's Magazine. The authority in the outdoor field.

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Field & Stream consistently leads Outdoor Life and Sports Afield in revenue and pages. Because we deliver more men, more efficiently than those two magazines combined. In fact, one ad in **Field & Stream** reaches nearly 2/3rds of all sportsmen who read the major outdoor magazines—a claim few magazines in any field can make.

MOST EFFICIENT AMONG MAJOR MEN'S MAGAZINES.

Field & Stream leads the major men's publications in efficiently reaching the mass male market. We deliver 7.4 million men more efficiently than Time, Sports Illustrated, Newsweek, U.S. News & World Report, Playboy and Penthouse.

Few magazines know their readers like we do. Because we get closer to them—by entertaining, informing and hitting controversial issues head on. After ninety years, we continue to deliver an award-winning tradition of editorial excellence and authority. **Field & Stream.** The number one way to reach the mass male market.

Field & Stream is a CBS Magazine.
Source: 1986 SMRB, ABC

conducted at the retail level, and, if the retailer wins, the sales representative may win prizes and money.

Peak retail times are back-to-school season and after-Christmas values during January as well as Christmas and Father's Day. Jovan targets men and women by offering his/her gift sets, which the company calls a "strong success."

About 60% of Jovan's ads are in television; 40% in print and 10% in trade magazines. Tv shows used include *NBC Friday Night Videos, The Tonight Show, Hunter* and *Late Night with David Letterman*. Cable tv includes Black Entertainment and Black College Sports.

HBM Creamer/Boston has been the ad agency since September. Zwiren & Wagner/Chicago was dropped when, a spokeswoman says, the company "thought it was time for a change in direction and concept."

A Jovan spokeswoman wouldn't comment on the ad budget except to say it was up 30% from last year. LNA reports that 1986 ad expenditures for Jovan for men were about $1 million.

An American Hero

Jack Lemmon's son pushes Aramis to younger men.

DEPARTMENT/SPECIALTY STORES

Aramis

Ahhh, Aramis. Dab it on your wrists, behind your ears, rub a few drops into your scalp. . .

Your scalp? Yes, Aramis, best known for its fragrance of "aromatic woods, exotic spices and sensuous undertones," has added Nutriplexx, a "thinning-hair supplement," to its product line.

In its 23-year existence, Aramis, the department-store leader, has always been pitched to the "urbane, sophisticated man" in his 30's to early 40's, explains Daria Myers, executive director of marketing for Aramis, a division of Estee Lauder Inc. Thinning hair is a problem that starts in their early 20's, she points out, and the product should catch the attention of younger consumers.

"We've become much more than a fragrance company, but a product company with innovative products," says Myers — hence, Nutriplexx. Certain products such as moisturizers will soon be available for the older consumer segment.

To reach the younger audience with its overall message, Chris Lemmon, son of actor Jack Lemmon, is Aramis' new model, representing a "definite younger image" with his wire-rimmed glasses and knapsack over his back.

TAMPA
BAY
METRO
AREA

The Market:

- 1st in Florida in population
- 1st in Florida in households
- 1st in Florida in effective buying income
- 1st in Florida food sales

S&MM Survey of Buying Power©, 1986

The Medium:

- More 25-54 year-old readers
- More readers in top level occupations
- More food buyers spending $150+ per week
- More readers who are affluent adults ($50,000+HHI) than any daily newspaper in the market

Simmons-Scarborough National Newspaper Rating Study, 1985

The Answer:

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For more detailed information, send your business card to Joe Gess, General Advertising Manager, The Tampa Tribune, P.O. Box 191, Tampa, FL 33601-4005, or call (813) 272-7447 to request your free copy of the 1986 edition of The Quality Buy or other market and product information.

His business suit doesn't hide a more happy-go-lucky side.

Tv commercials may be 10 or 30 seconds and appear on network and spot tv during shows such as *Dallas, Magnum, The Cosby Show* and *Hill Street Blues*. Myers notes that the promotional or straight fragrance commercials are geared to both men and women because the latter purchases 60% to 70% of the products. In fact, Aramis' initial positioning at counters alongside the Estee Lauder line of women's products is credited with firmly rooting the scent in the crowded retail arena. Nutriplexx tv commercials, however, are pitched to men.

Magazines used are *GQ, Esquire, Interview* and also American Airlines and Eastern Airlines publications. Aramis ads also appear in *Texas Monthly* and the *New York Times Sunday Magazine*. The first section of Sunday newspapers are used as well as a new approach to run ads in Thursday newspapers. The Nutriplexx ads, for example, will appear in Thursday papers because "men read the Thursday business section," explains Myers.

A Polo user "cares about looking wonderful all the time."

Radio advertising is "very limited" and outdoor advertising not used at all because "it's not our image," says Myers.

The Aramis aroma, for the first time, may be detected [illegible] remittance envelopes for department store credit-card bills in a pitch for Father's Day. Aramis also will be peddling a men's traveling case for a PWP on store bills.

Although Aramis still sponsors GWP's and PWP's, including, of course, its famous Aramis umbrella, it is moving away from promotions, as is the entire men's fragrance industry, says Myers.

The 1987 ad budget is "higher than last year," but Myers wouldn't elaborate or comment on LNA's estimate of almost $4 million on Aramis' toiletry expenditures in 1986. Media Records reports that expenditures for Aramis toiletries amounted to $146,133 in 1986.

Polo

Polo's strength in the marketplace stems from its "perfect" embodiment of creator Ralph Lauren's image, that of a "successful designer of clothing and home furnishings," gushes Jane Terker, vice president of marketing, men's division of designer fragrances of Cosmair Inc.

A Polo user is in his 20's or 30's and "cares about quality, is not particularly trendy and cares about looking wonderful," says Terker. This "image of quiet elegance" is one of permanence, "as if you were of a world that's been around a long time."

Polo has been trying to reach beyond its existing department-store customers and last fall tested a combination tv and direct-mail campaign to draw in new customers. Terker reports the exercise was an "enormous success."

"The thought process was, a lot of people hadn't smelled it and may be predisposed to buy it if they did," she reasons. The company targeted by zip code all the homes housing men with annual incomes of at least $25,000 within a 10-mile trading area of spe-

Aramis is trying to expand its market to include younger men with a thinning-hair treatment.

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Campbell's
Tomato
SOUP

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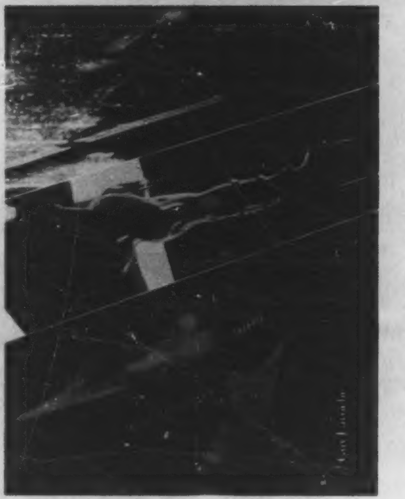
cific stores. They were offered a gift if they came into the stores or purchased through the mail. "Our business has reached new levels in those [test] markets," exclaims Terker, noting that 50% of those who redeemed the mail piece had never before tried Polo. Polo's U.S. retail sales were more than $75 million in 1986, and they are expected to reach $90 million this year.

The direct-mail piece, which contains a scented blotter card, a photo of the Polo line and description of the fragrance and an order form, is being dropped nationally during the spring and fall. Because the direct-mail test was successful "beyond our expectations," about $2 million, or 25% of the media budget, will be used for direct mail.

About $2.5 million is spent on GWP's and PWP's. Less than 15% of Polo's business is tied to the gift products. Terker laughs that the "ubiquitous" green bags have provided many with matched sets of luggage.



Drakkar Noir wants younger customers to "feel the power."

Polo uses 30-second commercials on spot tv in the top 43 markets, except for the Midwest. Ads designed by Geers Gross appear on *20/20* and *60 Minutes* and also *The Cosby Show* and *Miami Vice* to zero in on its target audience of "younger, upscale men." About $4 million will be spent on tv ads, which are done on a co-op basis with department stores. Polo's print budget is about $700,000.

Polo appears in *GQ*, *Vogue*, *Sports Illustrated* and *Esquire*. Terker says about 50% of the media is directed at women because they purchase a large portion of Polo for men. Some outdoor advertising has been done in California, but radio hasn't been "tremendously successful." Terker observes, "It's hard to sell a fragrance that depends so much on the communication of an image. It's tough to get a message across."

LNA reports that about $4.7 million was spent on ad expenditures last year, most of which was in spot tv.

Drakkar Noir

Drakkar Noir, literally translated, means "viking ship night." This obviously means nothing to anybody — except that somebody at Cosmair liked the sound of a men's cologne called Drakkar Noir.

The fragrance hit the shelves in 1984. Last year, U.S. retail sales reached $30 million with net shipments after returns growing 108%, and this year Terker says they are predicting $44 million in sales, or a "conservative sales estimate of 45% growth."

While increased distribution is one reason for burgeoning sales, Terker says Drakkar Noir is presented in a "cohesive story that has broad appeal among the younger customers." Drakkar Noir wearers are instructed to "Feel the Power." They are younger than Polo wearers and may still be high school or college students. To give you an idea, promotional events include Yamaha motor scooter giveaways.

Drakkar also gained increased counter space following the merger of its marketing and sales departments with that of Polo.

High school and college students wear Drakkar Noir. These younger men are more likely to buy their own cologne.

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Dana Corporation's world headquarters, located in Toledo.

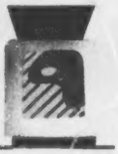
THE BLADE
One Of America's Great Newspapers

541 Superior St., Toledo, OH 43660

Tv commercials may be seen on *Family Ties*, *Miami Vice* and *Moonlighting*. About $3 million was put toward Drakkar's tv ads, which, like Polo's, are purchased on a co-op basis with stores. Terker notes that the print advertising and general-readership magazine ads are more male-oriented than those of Polo. This is because Drakkar is purchased more by men than women, the reason being that younger consumers shop for themselves. About $1 million is spent on print ads. Books include *Rolling Stone*, *Sports Illustrated*, *Time*, *Esquire* and *Cosmopolitan*. Newspapers are used on a limited basis for specific markets, while a few "small space ads" have been in the *Wall Street Journal*. A few markets in the South and in Chicago are used for radio advertising.

Terker claims Drakkar uses less GWP's and PWP's than other fragrances, but currently there are Swiss Army knives available as well as beach towels and thermoses. The promotional products have about a $1.5 million budget. McCann-Erickson is the ad agency.

Obsession for Men avoids competition by using a pre-sell campaign to take over and "own" the stores before the holiday onslaughts.



LNA reports that about $2.1 million was spent on spot tv and magazine ads last year.

Obesession for Men

Just as it did with its women's scent, Obsession for Men by Calvin Klein is pitched in ads designed to widen the viewer's eyes and make the mouth go agape: Naked bodies are everywhere.

"The advertising by its very nature is quite graphic," says Laura Lee Miller, director of marketing, men's fragrances, at Calvin Klein Cosmetics Corp. "It is quite exciting in creative execution and attracts a lot of attention, which is what advertising is all about." Miller wouldn't pigeonhole the target audience of Obsession for Men, which has "overtones of musk and spices," except to say it appeals to "every man" from age 16 to 76.

The Calvin Klein strategy, says Miller, is to use a "pre-sell campaign." The ads for Obsession for Men broke in April 1986, four months before a drop hit the stores. Miller explains that the strategy builds consumer awareness and demand. The print ads featured scent strips. Its three tv commercials are 10-, 15- and 30-second lengths and may appear on most of the 8-to-11 p.m. prime time shows on the three networks, along with *60 Minutes* and mini-series, as well as *The Tonight Show* and Fox Broadcasting's *The Late Show*. Magazines used include *Vogue*, *Cosmopolitan*, *Mademoiselle*, *Harper's Bazaar*, *GQ*, *M*, *Esquire*, *Playboy*, *Connoisseur*, *Vanity Fair* and *House & Garden*.

Gifts-with-purchase are done twice a year, during April and May to generate sales for Father's Day and during September and October for Christmas. The pre-sell idea is used during those months to avoid the competition that occurs closer to the holidays. "We concentrate on 'owning' the store and merchandising the product with banners, tablecloths, free-standing tables and pedestals," says Miller.

The same pre-sell strategy is coming up for five new body products due out in the fall. Ads will appear in August magazines that hit the stands in mid-July.

Miller wouldn't comment on a reported $17 million in advertising and promotion for Obsession for Men, except to say there is a "heavy investment" in both advertising and promotions. "It's significantly higher than most of our competitors," she admits. C.R.K. is the in-house advertising agency.

LNA reports that almost $4 million was spent on advertising for the product last year. ■

"Hey, Marge, meet the Huxleys.
They're NOT from Orange County!"

One quarter of a million (244,900) Orange County residents traveled overseas last year. (Simmons-Scarborough 1985 Market Study)

THE ORANGE COUNTY
Register
METROGROUP

The leading medium in Southern California's richest market. Represented by CWO&O

TOOLS OF THE TRADE

by Wally Wood

EXPOSING THE POSSIBILITIES

You've been hearing it for years: The art of magazine evaluation must move beyond circulation and total audience counts. Among the new measures that are gaining credence is Mediamark Research Inc.'s magazine page exposure system, but many remain in the dark about just what to do with this qualitative data. Kraft Inc. set out to find some answers by making magazine page exposure (MPX) an integral part of its media planning.

KEVIN HORAN

Hanrahan (left) and Landgraf take a second look at magazines.

The Kraft decision, says Jack Hanrahan, a vice president and media director at Leo Burnett, is an attempt to get closer to establishing the value a brand receives for its ad dollars.

Bill Landgraf, manager of advertising services at Kraft, believes that many people plan magazine schedules by rote. "We have become so accustomed to looking at average issue audience estimates that we tend to forget these are in no way direct measurements of actual advertising exposure."

Average issue audience figures don't measure advertising exposure because some readers don't open a given page. Others may look at an issue on several different days and thereby be exposed to a given ad more than once.

This means that *all* average issue audience estimates from both Simmons Market Research Bureau (SMRB) and Mediamark Research Inc. (MRI) overestimate advertising effect.

Average issue audience figures may underestimate these figures, and, in any event, do not tell the number of different days that, on average, an ad page will be exposed to readers.

In the 1960's, Alfred Politz carried out repeat exposure studies and found not only that some readers open an issue more than once, but that advertising effectiveness increases dramatically with multiple exposures.

Politz last measured "Advertising Page Exposure," or APX, in the company's syndicated audience study in 1966. The average for the 12 magazines was 1.8; that is, the average reader opened the average page 1.8 times during the "life" (seven days/weekly, 30 days/monthly) of an issue.

APX never became a media planning tool because it was available for too few magazines. Sixteen years later, in 1982, the Magazine Publishers Association studied 30 publications and obtained figures similar to Politz.

Timothy Joyce, the chairman of MRI, later realized his service could calculate an MPX score for all the publications in his survey. And while MRI's methodology differs from the others, the results are strikingly similar:

COMPARISON BETWEEN POLITZ, MPA AND MRI DATA

	Politz	MPA	MRI
Reading days	N/A	3.2	3.1
Pages opened per avg. day	N/A	54%	54%
Page exposure score	1.8	1.7	1.8

Source: Mediamark Research Inc.

Interestingly, a group of British magazine publishers has initiated an MPX study covering 110 publications. The British study, using the same measurement technique MRI uses, came out with an MPX of 1.8 as well.

Kraft's Landgraf says that he became interested in magazine page exposures more than a year ago when he was looking at magazine performance among margarine users and barbecue-sauce users. This led him to look at primary/secondary figures. He reports, "There seemed to be some differences in primary and secondary readers among the various publications, and while we thought the figures made a lot of sense, we ran into a snag because of a definition problem: What is a primary reader?"

Most media people consider a primary reader to be someone who actually bought the magazine, but MRI includes as a primary reader someone who lives in the same household as a purchaser. "So there was a definition problem in how the data is collected and what it reflects," says Landgraf.

In addition to the primary/secondary reader question, Landgraf considered the value of in-home versus out-of-home readers. He concluded that although Kraft agencies could use the in-home/out-of-home audience data in planning media, this is really an element of the brand's creative strategy. If, for example, the strategy is to include a coupon or recipe in the ad, then the agency should give greater weight to in-home readers and less to out-of-home. Conversely, if the ad is simply a reminder, the agency should give somewhat more weight to out-of-home readers.

But since there was no general agreement among Kraft's agencies over the value of primary versus secondary readers or in-home versus out-of-home, Landgraf and Burnett's Hanrahan looked at page exposure as a way "to provide a meaningful measure of potential ad exposure against specific brand target audiences."

Hanrahan says, "We felt that MPX related to advertising effectiveness. There had been a number of studies such as Politz where a value had been demonstrated for the second exposure relative to the first on characteristics such as brand familiarity, belief in the claims, etc." And as Landgraf points out, "A magazine schedule comprised of books delivering more repeat exposures for the same money has to be more cost-effective than a schedule that doesn't provide as much repeat impact."

Landgraf and Hanrahan found that MPX scores *did* discriminate within and across vehicles by type of reader. They looked at how well MPX scores discriminated against primary readers versus secondary readers, and in-home vs. out-of-home "and there seemed to be the kind of results one would expect intuitively, with primary readers having much higher MPX scores than secondary, and in-home much higher than out-of-home."

According to MRI, primary readers have an average MPX score of 2.2; secondary readers have an average of 1.2. In-home readers have an average of 2.2; out-of-home readers, 1.1. Also, the more time a reader spends with his or her magazine, the higher the MPX score; those who spend 15 minutes or less have an average MPX score of 0.9; those who spend four hours or more have 6.5.

And they found that it was easy to incorporate MPX data into the vehicle selection process. Various computer evaluation programs are available on IMS and MSA.

So what happened to the magazine rankings (primarily women's books and major dual audience publications) when they did so?

The changes were subtle, admits Hanrahan. "The biggest drop or jump was two places. Most publications either stayed in the same place, shifted by one place, or, in a couple of instances, moved by two places when weighted by product usage."

That may sound small, but Hanrahan points out that small changes in the rankings may mean the difference in deciding if a publication makes it onto the schedule. Also, while not changing the rankings, the MPX scores change the index relationship between the highest cost-per-thousand magazine and the lowest, which can be significant.

Landgraf underscores that MPX is only one factor in their selection of magazines. Others include positioning; how the publisher has treated Kraft ads in the past; the vitality of the magazine's circulation; and more. Kraft links the MRI data with product and category usage data by marketing weights so that a brand manager can decide whether to target heavy users or medium users. The manager, for example, may decide not to reach heavy users because other cross tabs indicate that heavy users in a given product category have little brand loyalty. They buy pounds of the product, but they buy on price, or on deals with coupons. So the brand manager may target the advertising disproportionately to medium and light users.

Kraft set out to test the value and viability of page-exposure data in magazine schedule planning.

"We've looked at MPX not in how it changes individual magazines, but the bottom-line effect it can have in terms of optimizing schedules," says Landgraf. "The importance isn't the position of Magazine A versus Magazine B, but the effect on the schedule. It can get you closer to what we're really after, which is the value received for the money invested — the advertising exposures."

SENDAWAYS

A new international survey reveals what some of us may have been suspecting all along: European consumers respond only tepidly to American products. In comparison with West German and Japanese products, the survey by International Research Associates, a subsidiary of Starch INRA Hooper Inc., shows goods bearing the "Made in the USA" label are perceived as decidedly inferior and only about equal in quality to French ones.

The image of American-made products is poorest in West Germany. To be fair, however, the Germans have low opinions of products made in any country but their own, with the exception of some grudging respect for Japan, says the report. Findings are based on face-to-face interviews conducted with 5,912 people in six countries: West Germany, France, Italy, United Kingdom, Belgium and Norway.

The report also notes that the European consumers with the highest regard for American products are the Italians and the French. More than a third of all Italians, and a quarter of the French, think that "Made in the USA" is a good label.

Unlike most Europeans, American consumers have a very positive perception of the quality of American-made products. At the same time that research was underway in Europe via International Research Associates, research on this question was conducted in the U.S. by the Roper Organization, also a division of Starch. A representative nationwide sample of 992 adult Americans was interviewed.

Fully 69% of Americans in this respondent group believe the label "Made in the USA" is a mark of quality — compared to merely 18% of Western Europeans.

For further results or more information about the research, contact Gunilla Broadbent at Starch INRA Hooper, Mamaroneck, N.Y.

POINT/COUNTERPOINT/

THE WORLDLY VIEW

THINKING GLOBAL

My colleagues at Saatchi & Saatchi in London like to think they came up with the first television commercial that was truly global, a now-famous 1983 spot for British Airways in which the island of Manhattan appears to land at Heathrow Airport.

That ad has run in 40 countries and in six languages. Syndicated research found that it helped double the number of people who mentioned British Airways advertising without prompting. And British Airways' summer bookings on the North Atlantic were up 40% over the year before.

There is a reason the same commercial can speak to people in 40 different countries: The nations of the industrialized world are starting to converge in a number of important ways.

Birth rates are falling. The nuclear family is declining. Productivity is rising. The work week is becoming shorter and leisure time longer. Perhaps most important of all, television and motion pictures are creating a worldwide popular culture. Our British Airways commercial would hardly have had the same impact if it weren't for such movies as *E.T* and *Close Encounters of the Third Kind.*

At the same time, a few powerful factors have been at work in the marketplace. Because populations aren't growing much, markets have become static. This means more intense competition for market share. As the benefits of technology spread far and wide, product quality is converging. A marketer who enjoys a technological edge over the competition probably won't enjoy it for long. And as manufacturers respond to the ever-higher cost of trying to reach the consumer, marketing expenses are soaring.

All this has meant that markets for goods and services are more competitive, and that products cannot survive without controlling costs. As far as advertising is concerned, that means taking advantage of the economies of scale that a world brand can bring.

We think it's exciting that world branding — the notion of organizing a firm's marketing efforts along global lines — is replacing the older country-by-country approach. And it's more ambitious, more efficient and more effective than anything we've seen.

Robert O. Jordan is chairman of Saatchi & Saatchi Compton Inc.

OUR READERS TELL US. . .

Though hardly universal, more than half of our advertiser sample indicates that global marketing is integral to their overall strategies. Polling was conducted by Research USA, Chicago. (Base: 93)

1. Do you believe global marketing — using one campaign with slight modifications to sell a product around the world — is a viable idea?

Yes	51.6%
No	47.3%
No answer	1.1%

2. If "Yes," has your firm switched, or thought about switching, its business to an agency that is more closely aligned with the global marketing concept? (Base: 48)

Yes, we have switched	25.0%
Yes, we are thinking about it	12.5%
No	62.5%

3. Is your firm doing more multinational selling today than it was three years ago?

Yes	54.9%
No	11.8%
About the same	20.4%
Not doing any	12.9%

If "Yes," where is it selling more?
(Base: 51)

Canada	62.7%
Mexico/Central America	49.0%
South America	31.3%
Great Britain	52.9%
Western Europe	64.7%
Eastern Europe	—
Asia/Japan	56.9%
Africa	5.9%
Australia/New Zealand	54.9%

4. Is your firm spending more or less on multinational advertising this year compared to 1986?
(Base: 21)

More	22.6%
Less	1.1%
About the same	44.1%
Not doing any	32.2%

If "more," how much more?

5% or less	9.5%
6%-10%	47.6%
11%-15%	9.5%
Over 15%	28.6%
Don't Know	4.8%

5. If your firm is presently selling in Europe, please indicate which of the following media are most important in terms of usage? (Base: 58)

Magazines	56.9%

POLL

ACTING LOCAL

Global marketing is a fact, not a debate.

The debate is how to market best — that is, how to combine global marketing with local execution. We know that global marketing works; indeed, it is the most significant business development since World War II. The question is how to balance global marketing with local accountability.

The answer is, "Think global. Act local."

By "think global," we mean focusing first on global commonalities and the power that comes from sharing global information and learning. Successful marketers recognize the benefits of global experience — that a trend in one country, for example, may suggest new developments in another. Successful marketers know that basic consumer wants are universal.

"Act local" means that, despite global commonalities, every sale remains a local sale. Relevant local differences do matter, and opportunities vary by market. Local competitive conditions, local problems and cultural biases must be recognized and exploited.

"Think global. Act local," does not mean that every country is the same. It means that commonalities often are more important than differences, and that differences, when they exist, are acknowledged and acted upon.

"Think global. Act local," is not a policy of global homogenization nor one of global suffocation. It is a policy of global harmonization. The local manager is encouraged not only to "think global," but to challenge the status quo, to test new ideas and to prove that the global benchmark can be beaten by a superior local approach.

While the power of global marketing is compelling in theory, it is even more dramatic in execution.

Our work at Ted Bates for Kal Kan canned dog food illustrates how effective global campaigns can be, and how valuable knowledge transfer is on an international scale.

Kal Kan's premium-priced product is the market leader outside the United States, based largely on a highly successful program of endorsements by top breeders. We're in the process of adapting that campaign for the U.S. market, and supporting that advertising with other local marketing elements such as direct mail, special events, packaging redesign and even an interactive computer program to match dog breeds with potential owners.

We think global, recognizing the international validity of breeder endorsements. We act local, customizing the breeder affiliation to reflect what works best in the U.S.

There are numerous other examples of global marketing success. What automotive marketers discovered to their dismay, domestic beer marketers are learning: U.S. companies cannot ignore global competition. First the Europeans, then the Canadians and now the Australians' beer (Foster's, in this case) is succeeding in America.

Estee Lauder revolutionized global cosmetic marketing. Seiko successfully captured global leadership in watches. The battle of beverages is now a global battle. And the fast-food war has crossed all borders.

Xerox, IBM and Apple are global brand properties. Nissan, Benson & Hedges and Avis compete in a world marketplace. So do Buitoni, Air New Zealand, M&M's, Panasonic, DHL, Oil of Olay and so on.

Global marketing exists because it is a competitive advantage. Global advertising agencies exist for the same reason.

A global agency can be stronger than an unaffiliated local agency because its integrated network with worldwide information systems, coordinated planning, consistent disciplines and sharing of learning on an international scale are powerful tools.

There are some who deny these principles and business developments. They look back instead of ahead.

But the global world is an increasing, undeniable reality. Companies that take advantage of the global world — who embrace global marketing — will defeat those who hang onto old-fashioned views and out-of-date ideas.

Larry Light is chief executive officer of Ted Bates International.

Broadcast tv	51.7%
Satellite-delivered tv	12.1%
Outdoor	13.8%
Radio	3.4%
Newspapers	43.1%

6. Do you think global marketing is more appropriate for corporate image campaigns or for brands?

Corporate image	23.7%
Brands	29.0%
Both equally	39.8%
No answer	7.5%

7. Which type of agency are you more likely to work with overseas?

Independent, locally owned	28.0%
Autonomous offshoot of a U.S. agency	11.8%
Owned-and-operated office of a U.S. agency	44.1%
No answer/don't know	16.1%

SALES PROMOTION

by Russ Bowman

THE YEAR IN REVIEW: PART I

1986 was spectacular for sales promotion as expenditures passed the $100 billion mark. And while a decade ago other big cities like Philadelphia and Washington shared the spotlight with the "Big Apple," 1986 was decidedly a very New York year.

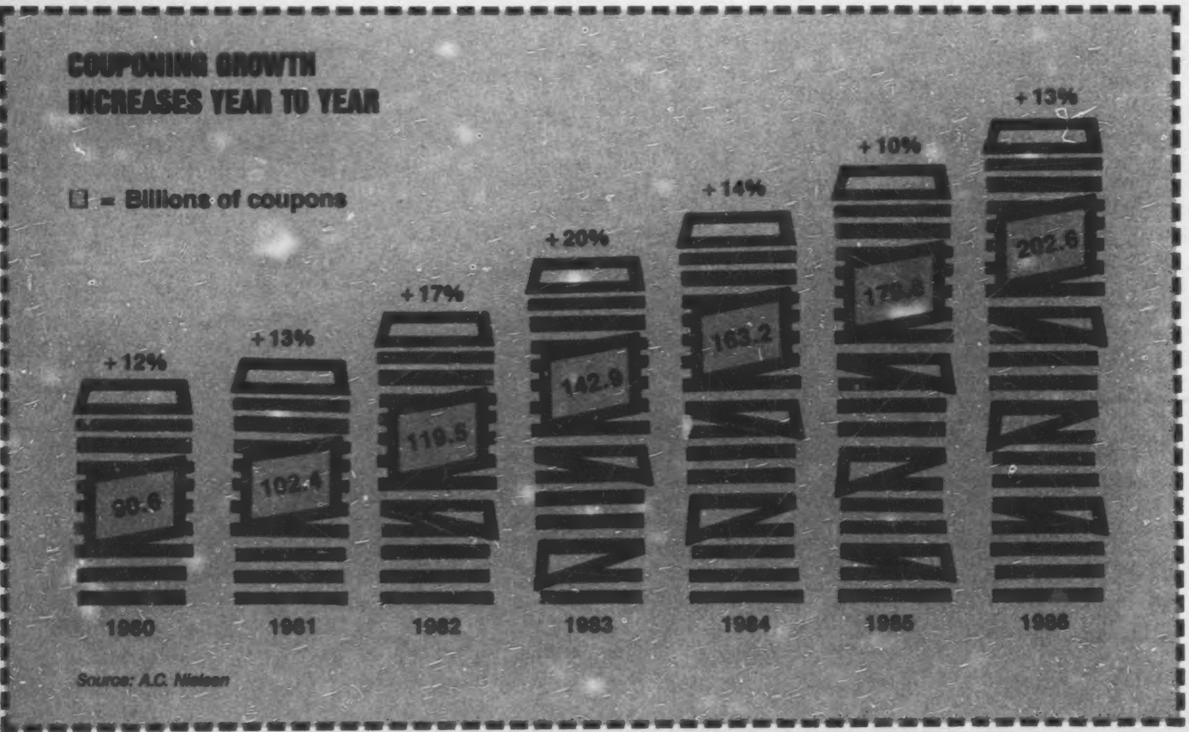
As the year began, the excitement was building for the big unveiling of Lady Liberty, and many companies were involved with multi-million dollar promotional sponsorships. As the summer progressed, it became apparent that those brands and companies sponsoring the New York Mets had gambled on a winner, and, sure enough, the good old Mets came through. Then, for NYC's second miracle, they sent their old faithful Giants off to the Super Bowl . . . and New York won that too!

The sales promotional winner of the Super Bowl would clearly be Quaker Oats' Gatorade. Several minutes of fooling and dousing Bill Parcells gave Gatorade some very valuable free tv camera shots, especially with 120 million people watching and the rest of the brands paying about $600,000 for half a minute. Word has it Gatorade, which generally experiences a slow season in January, was out of stock in many stores by Monday afternoon.

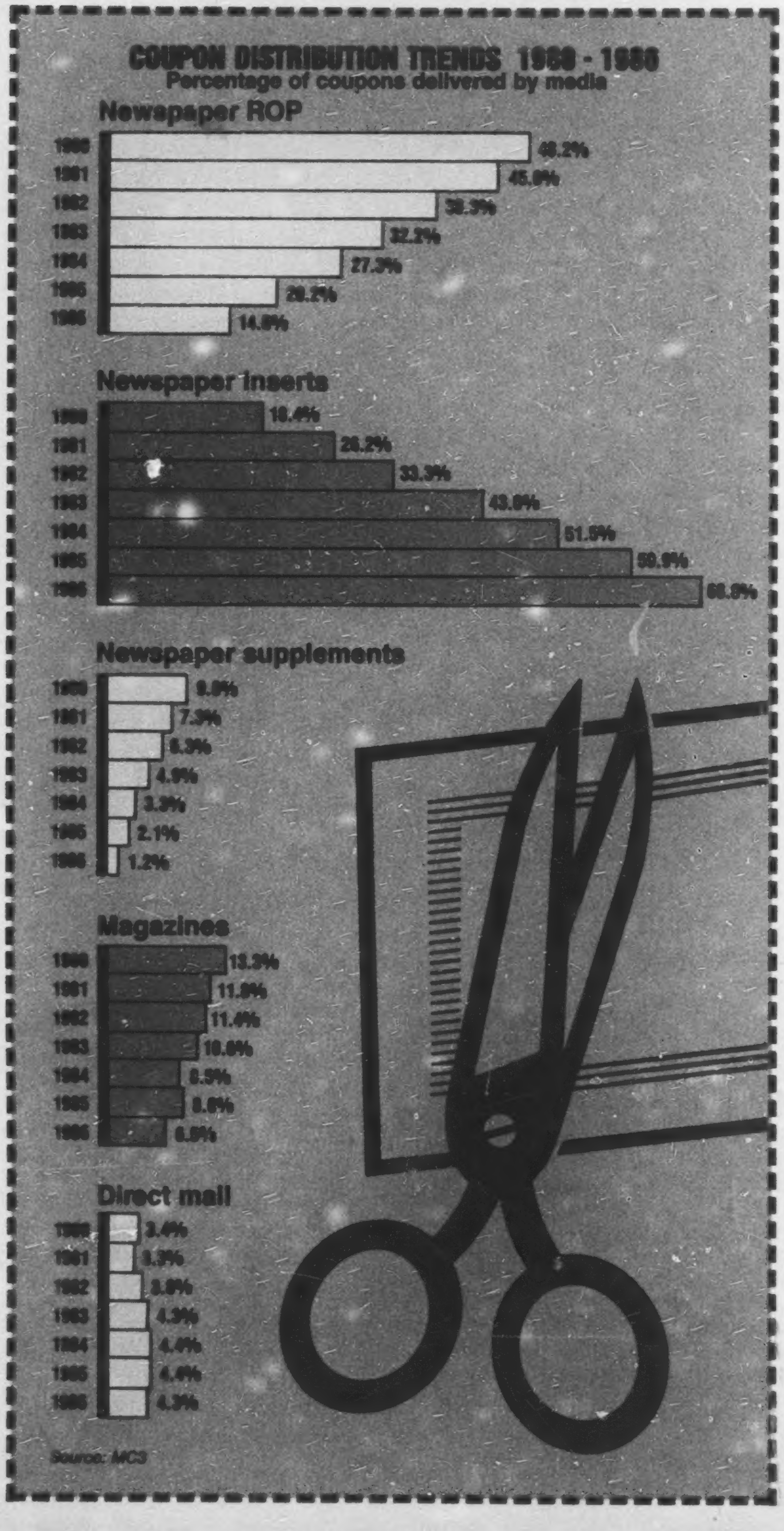
As the year ended, the promotion focus shifted from the stadiums to the water and the Americas Cup Challenge. Many big brands were happy to promote through sponsorship of American sailboats, and, in the end, Pepsi's and Dennis Connors' *Stars & Stripes* beat the Australians and brought back the Cup to America.

Marketing services and brands that made news in 1986: In the promotion world, '86 was a big year for the service companies that are representative of the industry. As the year began, one could see the promotion industry was ready to join the trend with the rest of corporate America toward mergers and buyouts. At the beginning of the year, Quad Graphics of Milwaukee bought out the then-ailing Blair Marketing, and Quad also became a sponsor of one of the U.S. boats that went to Australia.

But the big '86 news in promotion didn't happen in New York. It was more of an international affair among MCA in Westport, Conn., which sold its newspaper ROP co-op and insert division to Valassis in Detroit, Michigan, which in turn sold out to Kerry Packer, an Australian in Perth. It could be that the next major race between the Australians and Americans will not be



Source: A.C. Nielsen



Source: MC3

on the water but in the free-standing-inserts business.

The direct mail co-op business also changed in '86. For the first time in nearly 20 years, a one-company business now has three players, and the future will be more of a tri-state competition among Larry Tucker in New Jersey, Metro Mail in New York and Donnelley in Connecticut.

A few companies made news that is relevant to the promotion business in 1986. Campbell Soup was the first company to plot a major move toward regional marketing, with marketing responsibility and $1 million ad/promotion budgets assigned to 16 regional offices. In the perceived battle between ad and promotion budgets, this will be an interesting development to watch because Campbell has always been a believer in promotion as a tool that builds brand image.

The next major company to test regional marketing was General Foods, which set aside Denver to experiment with local strategies.

Over in the cola wars, Coke is once again out ahead. With a 40% share vs. a 30% share for Pepsi, many marketers sight their different philosophies as a major contributing factor. Coke has used promotion to build the brand image and to move more cases. With a display in a Safeway in Virginia, Coke moved over 2,000 cases in a three-day weekend. Pepsi, on the other hand, has put great faith in big budget tv spots with top personalities.

Another success of '86 through both advertising and promotion was the duo of Ed Bartles and Frank Jaymes. The latest ploys include Bartles & Jaymes watches and posters. They also offer displays that retailers love and restaurant promotions.

It has all paid off. They jumped in the emerging wine cooler category and got first place with a 20% share in less than a year. One restaurant promotion involves a life-size cut out of Ed & Frank that the field promotion people bring to take Polaroids of customers.

SALES PROMOTION

It seems crazy, but people line up for a picture with the cut out.

Shifting trends in the key segments: The trends in tv continue: Advertising on the three networks reaches a smaller audience every year — it's now less than 73%. Meanwhile, the cost of commercial time goes up. While the cost per thousand of the key advertising media (tv, newspapers, magazines) keeps going up, the CPM of promotional media like free-standing inserts has been going down. (see "Sales Promotion," August 1986).

Point-of-purchase sees big gains: The Point-of-Purchase Advertising Institute (POPAI) made news with an update of their POPAI/DuPont study showing 81% of brand purchase decisions are made in the store. That's a significant increase from the 65% reported in POPAI's last study in 1977.

As a result of this and other factors, the point-of-sale area has gained even greater strides than other promotional techniques, up about 20% in '86 over '85, according to POPAI. Industries with the greatest P-O-P increases are transportation, food and beverage and health and beauty aids. In the future, contracted P-O-P like Actmedia's cart and shelf signs in supermarkets and POP Radio's in-store commercials in 7,000 drug stores will greatly add to the shifting growth.

Premiums show only modest gain: Use of premiums and incentives in promotion shows a declining growth pattern. It is difficult to get a good fix on the size and the trends in this industry, in part because the two major trade publications that issue annual reports differ dramatically. *Premium & Incentive Business* puts the 1986 state of the industry at $21 billion with 5.3% growth, while *Incentive Marketing* claims the business is only $13.1 billion, a 2.9% growth over the previous year. The one category of incentives that does appear to be on the rise is sweepstakes and games. Ventura Associates estimates sweepstakes are growing at 20-30% a year. The hottest techniques are instant winner games and automatic entry coupons.

COSTING OUT INCENTIVES

	1986 EXPENDITURES (000)	% CHANGE	1985 EXPENDITURES (000)	% CHANGE
SALES INCENTIVES	$3,484,645	6.7	$3,264,679	9.4
Merchandise	2,628,691	6.5	2,468,214	9.2
Travel	855,954	7.5	796,465	10.1
DEALER INCENTIVES	$2,346,799	5.3	$2,228,063	8.9
Merchandise	1,532,474	5.2	1,456,672	8.3
Travel	814,325	5.6	771,391	10.2
TRADE TOTAL	$5,831,444	6.2	$5,492,742	9.2
BUSINESS GIFTS	$1,211,722	2.7	$1,179,502	5.1
CONSUMER PREMIUMS				
Product Promotion:	$3,685,931	1.6	$3,629,492	8.3
• Mail-in Offers	1,864,186	2.0	1,827,436	7.5
• Direct Premiums	1,821,745	1.1	1,802,056	9.1
Retail Promotion:	$2,411,000	−2.3	$2,468,500	6.1
• Trading Stamps	456,000	−12.6	522,000	−5.8
• Other Retail Premiums	1,955,000	0.4	1,946,500	9.8
CONSUMER TOTAL	$6,096,931	–	$6,097,992	7.4
TOTAL USAGE	$13,140,097	2.9	$12,770,236	7.9

Source: Incentive Marketing

Couponing: a cautious, but upward trend: Following a period of much talk about clutter and two years of declining growth, coupon trends bounced back with a 13% gain in 1986.

Using coupons, consumers saved a total of $2.75 billion on their shopping bills in 1986. This is an increase of 23% over the $2.24 billion saved in 1985 through use of coupons. In addition, retailers received $586 million for the handling allowance for coupons redeemed in 1986. A record 202.6 billion coupons were distributed by manufacturers in 1986, up 13% over the 1985 distribution of 179.8 billion.

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ECONOMIC EYE

COMMERCIAL BREAK

The Television Information Office (TIO) of Roper reports that 57% of their 2,000-person sample in 1986 acknowledged tv as a main source of product information. Newspapers ranked second with 24%, magazines third with 16% and radio last with 5%. A full 75% agreed commercials are a fair price for free tv.

MAGAZINE AD SCORECARD	Ad Pages April 1987	% change from April 1986	Dollars spent (000)	% change from April 1986
1. Skin care, Creams, Lotions and Oils	193.45	+21.48%	$ 5,824.1	+24.94%
2. Lip and Eye Beauty Products	107.31	+10.69	3,685.0	+2.90
3. Scents and Fragrances	218.81	+3.83	6,036.0	+14.85
4. Facial Makeup Products	103.56	+42.19	2,967.6	+13.65
5. Prepared Dinners and Entrees (including Pizza)	41.67	+56.60	2,095.6	+13.37
6. Liquor	236.67	−30.77	10,511.3	−23.44
7. Cigarettes	660.37	−14.70	32,597.1	−17.36
8. Soaps and Detergents	39.99	−16.49	2,263.3	−29.29
9. Passenger Cars, Domestic	457.20	+18.19	24,073.7	+24.09
10. Passenger Cars, Imported	494.56	+5.54	22,821.2	+9.01

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100	1986												1987			
	July	% change	Aug.	% change	Sept.	% change	Oct.	% change	Nov.	% change	Dec.	% change	Jan.	% change	Feb.	% change
Network TV																
Daytime	102	+2	95	−5	102	+2	103	+3	98	−2	85	−15	106	[illegible]	105	[illegible]
Nighttime	107	+7	108	+8	107	+7	104	+4	107	+7	109	+9	92	[illegible]	86	[illegible]
Spot TV																
Prime time	126	+26	121	+21	105	+5	119	+19	115	+15	116	+16	—	[illegible]	—	[illegible]
Daytime	113	+13	109	+9	99	−1	109	+9	111	+11	105	+5	—	[illegible]	—	[illegible]
Network radio	104	+4	105	+5	104	+4	115	+15	106	+6	101	+1	139	[illegible]	130	[illegible]
Spot radio	←		98	−2		→	←		103	+3		→	—	[illegible]	—	[illegible]
Consumer magazines	105	+5	105	+5	106	+6	106	+6	106	+6	107	+7	109	[illegible]	109	[illegible]
Natl. Sunday mags	96	−4	105	+5	105	+5	94	−6	94	−6	94	−6	103	[illegible]	103	[illegible]
Business publications	106	+6	106	+6	106	+6	106	+6	107	+7	107	+7	111	[illegible]	111	[illegible]
Newspapers	108	+8	108	+8	108	+8	108	+8	109	+9	109	+9	116	[illegible]	116	[illegible]
Outdoor	107	+7	107	+7	111	+11	106	+6	106	+6	106	+6	111	[illegible]	111	[illegible]

Notes: Percentage shown is relative change from the same month/period the year before.

1985 = 100 *revised

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

NOTE

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JULY

1987

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MARKETING & MEDIA DECISIONS

JULY 1987 • $4.00

HIT THE ROAD

That's the cry at lots of companies and agencies as marketers revamp national strategies to focus on regional opportunities.

READY FOR MAGAZINE BUYING GROUPS?

SPECIAL REPORT: THE TOP 200

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ConAgra's Kennedy (left) and DMB&B's DeWees map out a local strategy

MARKETING & MEDIA DECISIONS

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COVER REPORT

ONE NATION, DIVISIBLE 118

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Once again, *Decisions* compiles the definitive ranking of the top-spending products and services of the past year according to a host of sources. Included in this annual report are the top ten advertising product or service categories, plus the top five parent companies in each group (page 47); an alphabetical index to the Top 200 (page 50); and individual listings for the ranked entries (beginning page 54).

Each entry breaks the advertising spending for the year into nine media categories. The listings also supply the parent companies, the marketing/brand management team at the parent, the agency or agencies and the principal agency contacts.

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Cover by Rick Harrig

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Nickelodeon is coming of age as a prime kids outlet. At *Business Week*, future home video ventures will have something extra: sponsors.

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Not every client benefits from a purely price-driven buy. Clients should know the options.

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MARKETING & MEDIA
DECISIONS

TOP
200

BRANDS
PRODUCTS & SERVICES

THE TOP SPIN

This year's Top 200 Brands Directory is the sixteenth annual installment in our continuing effort to supply the most exact breakdown of product-specific ad spending estimates. In the following pages, we report the top ten advertising categories for 1986 (as defined by Leading National Advertisers), plus the top five parent companies in each of these categories. Then the body of the report goes one step further. We have isolated individual products and services to tell the story of exactly who spent what and where in the battle for consumer attention, while also supplying a complete, up-to-date roster of the people directly involved in making those spending decisions.

Here's how it works: Rather than totaling all Coca-Cola soft drinks under the Coca-Cola name, you will find individual entries for flagship Coca-Cola and Diet Coke. And General Motors' spending is segmented into the dollars supporting the most-advertised makes' models or dealer units.

Because of the way this report was organized, new products or campaigns may not have comparable 1985 figures. Hyundai Excel, for example, is included in the 1986 ranking, but, because it was just introduced in the U.S. last year, it obviously has no comparable data for 1985.

For each entry, we report ad expenditures in nine media — network tv, spot tv, cable tv networks, newspapers, consumer magazines, national Sunday magazines, network radio, spot radio and outdoor — and the key media decision-makers at the immediate parent company and its agency or agencies.

In the majority of cases, we were able to match the data from the contributing measurement services — Leading National Advertisers (LNA), Publishers Information Bureau (PIB), Broadcast Advertisers Reports (BAR), Media Records, Inc., the Institute of Outdoor Advertising, Radio Expenditure Reports (RER) and our own *Decisions* estimates. In a few cases, determining spending for such specific entries required adjusting data to make sure we had an apples-to-apples comparison. Therefore, when Media Records reported an overall total for Nissan vs. LNA's breakouts by models, we determined each model's share of overall Nissan spending as reported by LNA. We then applied this percentage to the Media Records total to arrive at a newspaper estimate. Keep in mind that Media Records does not measure newspaper spending for retail, restaurants or financial services.

It should also be noted that due to the specific nature of our ranking, joint ads promoting two or more different products are presented separately from the solo-product reports.

When no directly comparable data could be determined year-to-year, we have either adjusted or excluded the data. These few cases are identified with asterisks.

The result of these efforts is the most detailed report of its kind, giving the full scorecard on the heaviest spending individual branded products or services. Following the top ten categories is an alphabetical index to those individual products or services that qualified. This is your guide to all you need to know about 1986's big spenders, including parent company, dollars invested by medium, total ad dollars for 1986 vs. 1985, marketing and brand management teams at the parent and personnel at the principal agencies representing the brand.

A warm thanks to all of you who contributed information to this most valuable of working tools. ■

200

1986 TOP TEN ADVERTISING CATEGORIES AND THEIR TOP FIVE CORPORATE SPENDERS

	Nine-media total (000)	BAR Network television (000)	BAR Spot television (000)	BAR Network cable (000)	BAR network radio (000)	RER Spot radio (000)	PIB Magazines (000)	PIB Sunday magazines (000)	MEDIA RECORDS Newspapers (000)	LNA Outdoor (000)
1. Car dealers & services (including used cars)										
1986	$1,309,492	—	$751,557	$ 63	$ 75	$ 31,350*	$ 387	$ 126	$487,081	$ 38,853
1985	934,673	—	571,517	225	2	28,224	792	378	304,194	29,341
1. General Motors Corp. Dealers Association										
1986	169,676	—	147,721	—	75	6,245	—	—	15,541	94
1985	151,829	—	131,200	—	2	4,497	24	—	15,286	820
2. Ford Auto Dealers Association										
1986	82,088	—	61,233	—	—	9,765	27	—	8,854	2,209
1985	58,799	—	39,714	—	—	8,532	2	—	8,612	1,939
3. Chrysler Corp.										
1986	69,314	—	35,544	—	—	5,586	—	—	27,065	1,119
1985	68,746	—	31,368	—	—	7,600	48	—	28,800	930
4. Nissan Auto Dealers Association										
1986	49,322	—	48,141	—	—	281	—	—	886	14
1985	48,930	—	46,826	—	—	435	—	—	1,662	7
5. Toyota Auto Dealers Association										
1986	40,643	—	36,587	—	—	3,166	—	—	884	6
1985	10,783	—	7,854	—	—	2,497	—	—	429	3
2. Restaurants, hotel dining & night clubs										
1986	$1,295,215	$441,613	$732,433	$ 5,557	$ 357	$ 75,620	$ 8,409	$ 746	—	$ 30,480
1985	1,219,454	421,264	658,234	3,073	220	92,709	8,746	668	—	34,540
1. McDonald's Corp.										
1986	333,797	193,002	128,180	1,820	—	4,654	597	—	—	5,544
1985	317,748	184,882	118,046	1,425	195	5,412	874	—	—	6,914
2. Pepsico Inc.										
1986	229,992	71,157	133,017	1,558	—	22,342	269	—	—	1,649
1985	196,439	62,997	117,735	803	—	12,707	115	35	—	2,047
3. Pillsbury Co.										
1986	196,311	70,415	105,373	905	—	18,178	132	—	—	1,308
1985	182,623	74,820	95,963	111	0.2	10,661	10	—	—	1,058
4. Wendy's International Inc.										
1986	83,701	41,668	39,190	587	—	391	560	—	—	1,305
1985	88,149	44,274	40,442	408	—	465	762	—	—	1,798
5. General Mills Inc.										
1986	40,564	27,096	9,889	81	—	3,107	57	—	—	334
1985	30,962	12,883	14,900	—	—	2,560	372	—	—	247
3. Beer										
1986	$ 873,046	$375,612	$213,750	$27,884	$18,015	$156,623	$ 36,853	$ 1,042	$ 27,614	$ 15,653
1985	764,427	340,106	174,073	26,622	11,932	148,726	36,189	884	13,227	12,668
1. Anheuser-Busch Cos.										
1986	345,415	158,344	85,934	19,326	14,576	42,256	11,763	735	6,618	5,863
1985	295,904	152,370	58,980	16,389	8,929	37,558	12,378	389	4,366	4,545
2. Philip Morris Cos.										
1986	211,677	137,896	47,889	6,050	—	—	9,705	—	6,976	3,161
1985	172,282	122,217	32,566	5,033	88	—	6,946	—	3,991	1,441
3. Coors, Adolph Co.										
1986	86,770	45,857	28,186	1,562	—	7,637	942	—	1,425	1,161
1985	69,672	18,076	34,500	1,630	—	9,537	2,309	—	2,055	1,565
4. Stroh Brewery Co.										
1986	53,910	28,920	11,608	811	1,378	5,254	4,482	47	652	758
1985	57,145	33,626	8,398	3,075	—	8,098	1,674	77	814	1,383
5. Van Munching & Co.										
1986	27,175	1,538	2,504	—	145	18,670	3,880	221	217	—
1985	56,268	6,503	9,166	—	284	31,720	7,842	378	375	—

* MMD Estimates

	Nine-media total (000)	BAR Network television (000)	BAR Spot television (000)	BAR Network cable (000)	BAR network radio (000)	RER Spot radio (000)	PIB Magazines (000)	PIB Sunday magazines (000)	MEDIA RECORDS Newspapers (000)	LNA Outdoor (000)
4. Passenger cars, domestic										
1986	$ 809,984	$380,343	$ 93,665	$11,511	$29,386	$ 18,345*	$210,523	$ 12,927	$ 49,113	$ 4,171
1985	737,942	365,555	91,208	12,085	10,156	11,270	195,707	4,334	41,299	6,328
1. General Motors Corp.										
1986	348,447	166,028	32,053	3,581	16,928	14,762	83,186	5,190	24,681	2,038
1985	282,255	147,294	36,959	2,299	5,062	1,765	66,306	2,119	17,655	2,796
2. Ford Motor Co.										
1986	293,459	135,816	40,003	4,081	12,068	927	84,171	3,792	10,992	1,609
1985	280,024	144,709	30,109	5,213	3,445	2,747	76,131	1,274	14,618	1,778
3. Chrysler Corp.										
1986	155,815	70,325	20,129	3,132	390	2,598	41,888	3,945	12,883	525
1985	157,972	66,686	22,636	4,276	1,649	5,824	45,403	942	8,801	1,755
4. American Motors Corp.										
1986	11,783	8,174	1,448	718	—	57	991	—	395	—
1985	17,590	6,866	1,498	296	—	935	7,803	—	186	6
5. Classic Motor Carriages Inc.										
1986	319	—	—	—	—	—	285	—	34	—
1985	439	—	—	—	—	—	184	—	255	—
5. Passenger cars, imported										
1986	$ 742,795	$257,010	$188,272	$10,328	$ 2,673	$ 11,848*	$204,728	$ 2,130	$ 61,598	$ 4,208
1985	586,251	210,575	125,441	8,049	4,303	4,526*	175,084	3,030	50,856	4,387
1. Volkswagenwerk AG										
1986	107,972	48,604	17,388	807	—	883	34,789	255	5,179	67
1985	84,438	34,758	13,821	628	—	46	30,744	608	3,538	295
2. Toyota Motor Corp.										
1986	94,212	20,012	51,930	1,636	—	589	16,251	157	2,341	1,296
1985	69,920	17,497	35,250	1,163	907	320	10,344	31	3,010	1,398
3. Honda Motor Co.										
1986	87,912	35,707	14,654	2,323	2,200	3,383	26,171	472	2,976	26
1985	59,977	32,697	1,546	1,767	3,154	2,659	16,903	285	941	25
4. Itoh, C. & Co.										
1986	68,275	24,632	16,898	1,035	—	771	20,810	—	4,129	—
1985	58,435	29,894	8,143	1,508	—	5	17,833	—	1,040	12
5. Nissan Motor Co.										
1986	65,074	26,707	20,678	393	—	900	12,915	33	2,644	804
1985	56,295	18,648	21,358	653	—	170	12,836	—	1,598	1,032
6. Cigarettes										
1986	$ 693,295	—	$ 866	—	—	—	$315,976	$ 62,507	$125,631	$188,315
1985	829,280	—	307	—	—	—	368,074	66,628	183,497	210,774
1. Philip Morris Cos.										
1986	272,865	—	—	—	—	—	153,998	15,837	45,120	57,910
1985	300,108	—	90	—	—	—	153,020	17,387	65,905	63,706
2. RJR Nabisco Inc.										
1986	252,198	—	—	—	—	—	95,093	34,586	44,150	78,369
1985	308,250	—	—	—	—	—	125,241	31,283	62,682	89,044
3. Loews Corp.										
1986	63,324	—	—	—	—	—	27,039	6,782	4,953	24,550
1985	88,079	—	—	—	—	—	30,970	3,864	28,278	24,967
4. B.A.T Industries PLC										
1986	46,272	—	47	—	—	—	15,943	1,636	8,516	20,130
1985	57,146	—	16	—	—	—	20,546	11,426	2,628	22,530
5. American Brands Inc.										
1986	30,583	—	—	—	—	—	20,016	3,430	21	7,116
1985	38,129	—	—	—	—	—	27,401	301	3,672	6,755
7. Telephone companies, public & private										
1986	$ 670,970	$168,215	$207,825	$ 3,680	$21,681	$ 43,515*	$ 99,285	$ 3,398	$120,855	$ 2,516
1985	698,485	143,783	195,441	3,807	19,565	39,880*	112,483	4,602	176,720	2,204
1. American Telephone & Telegraph Co.										
1986	267,028	121,830	35,656	2,843	21,664	5,480	47,562	1,804	30,099	90
1985	313,886	135,690	29,059	3,475	19,565	5,716	67,780	2,929	49,565	107
2. US Sprint Communications Co.										
1986	73,529	25,012	36,906	258	—	1,923	6,001	195	3,234	—
1985	53,940	—	51,905	—	—	—	2,014	—	—	21

	Nine-media total (000)	BAR Network television (000)	BAR Spot television (000)	BAR Network cable (000)	BAR network radio (000)	RER Spot radio (000)	PIB Magazines (000)	PIB Sunday magazines (000)	MEDIA RECORDS Newspapers (000)	LNA Outdoor (000)
3. MCI Communications Corp.										
1986	43,269	12,539	20,927	170	—	564	6,692	101	2,276	—
1985	33,584	—	30,314	—	—	97	1,685	—	1,488	—
4. NYNEX Corp.										
1986	43,743	44	18,684	89	—	1,790	3,423	966	18,614	133
1985	36,871	53	14,974	4	—	1,832	3,913	746	15,133	216
5. GTE Corp.										
1986	38,832	8,234	8,422	43	—	1,966	4,893	78	15,196	—
1985	37,677	8,041	4,074	149	—	5,681	6,152	—	13,382	198
8. Department stores										
1986	$ 586,967	$130,454	$297,367	$ 3,440	$45,339	$ 48,053	$ 53,838	$ 6,066	—	$ 2,410
1985	$ 551,072	152,054	296,961	3,906	21,135	30,705	41,407	2,676	—	2,228
1. Sears Roebuck & Co.										
1986	142,045	57,253	16,734	1,167	37,596	10,332	17,076	1,761	—	126
1985	146,784	91,280	21,411	3,026	16,700	4,322	9,898	105	—	42
2. K mart Corp.										
1986	66,770	26,333	13,584	648	6,526	2,131	16,437	1,103	—	8
1985	52,023	16,222	17,181	513	4,435	3,577	9,843	—	—	252
3. Penney, J.C. Co.										
1986	65,618	46,867	10,663	1,616	1,218	875	3,771	587	—	21
1985	63,041	44,552	14,184	358	—	61	3,712	21	—	153
4. Dayton-Hudson Corp.										
1986	31,722	—	28,023	—	—	3,496	86	—	—	117
1985	29,973	—	27,354	—	—	2,419	63	—	—	137
5. Federated Department Stores Inc.										
1986	28,782	—	22,843	—	—	2,209	2,965	369	—	396
1985	25,554	—	19,835	—	—	1,048	3,459	1,086	—	126
9. Cereals										
1986	$ 518,617	$317,311	$156,570	$18,714	$ 799	$ 1,603*	$ 21,031	$ 119	$ 2,470	—
1985	468,131	288,023	130,867	16,360	2,266	3,903*	22,228	1,219	3,241	24
1. Kellogg Co.										
1986	188,650	153,735	31,020	2,802	0.4	—	1,023	—	70	—
1985	183,786	143,267	35,695	4,190	—	458	57	—	119	—
2. General Mills Inc.										
1986	155,165	57,213	85,581	9,403	798	124	1,784	79	183	—
1985	124,810	51,958	60,446	7,873	432	176	3,412	—	489	24
3. Philip Morris Cos.										
1986	80,536	50,731	15,414	3,710	—	74	10,530	—	77	—
1985	73,712	38,494	19,066	2,297	636	—	11,130	1,054	1,035	—
4. Quaker Oats Co.										
1986	41,848	20,378	15,089	680	—	1,051	4,001	—	649	—
1985	28,925	16,547	6,650	209	—	2,167	2,722	164	466	—
5. RJR Nabisco Inc.										
1986	28,543	21,718	3,544	1,511	—	—	1,655	34	81	—
1985	19,193	14,298	1,041	1,025	1,197	—	1,610	—	22	—
10. Miscellaneous retail										
1986	$ 456,640	$ 63,942	$293,557	$ 6,674	$23,467	—*	$ 29,216	$ 2,122	—	$ 37,662
1985	436,156	87,692	262,500	5,504	20,202	—*	27,163	2,099	—	30,996
1. IC Industries Inc.										
1986	42,472	15,265	20,808	—	—	6,341	—	—	—	58
1985	46,860	17,823	19,667	—	—	9,275	—	—	—	95
2. Cotter & Co.										
1986	42,410	12,331	11,562	1,588	10,663	1,265	4,884	56	—	61
1985	45,762	14,656	13,126	1,492	9,049	1,491	5,904	—	—	44
3. Jack Eckerd Corp.										
1986	22,211	1,280	17,379	2,023	—	939	545	—	—	45
1985	16,435	1,889	13,159	1,012	—	161	206	—	—	8
4. Grand Metropolitan PLC										
1986	19,478	7,393	10,550	529	—	895	—	—	—	111
1985	18,280	9,733	7,735	—	—	785	—	—	—	27
5. Ace Hardware Corp.										
1986	15,810	13,414	1,585	573	85	148	—	—	—	5
1985	13,363	11,461	1,033	238	495	99	17	—	—	20

* MMD Estimates

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TOP 200 BRANDS

Project editors: Susan Benoit, Paula Schnorbus, Romy Schwab

1. McDONALD'S RESTAURANTS

McDonald's Corp.

	Media investments 1986	1985
Magazines	$ 175,500	$ 353,000
Natl. Sun. mags.	—	—
Network tv	193,001,600	184,882,000
Spot tv	128,052,900	117,838,000
Network radio	—	195,000
Spot Radio	—	5,412,400
Outdoor	5,542,800	6,914,000
Network cable	1,820,200	1,425,000
Newspapers	(No data)	(No data)
Total	**$328,593,000**	**$317,019,400**

Marketing/brand management:
Sr exec vp mktg, Paul D. Schrage
Sr vp mktg, Peter A. Nelson
Vp natl mktg, David B. Green
Asst vp media, Laurie A. Grace
Asst vp mktg & media services, Emil Teri
Vp adv, Roy Bergold
Agency: Leo Burnett, Chicago
Exec vp media srvcs div, Willard Hadlock
Media dir: Sally Hunter
Exec vp, client service dir, James Shymkus
Acct dirs: Linda Wolf, Jerry Conner
Black agency: Burrell, Chicago
Vp-mgmt supr, Linda Pharr
Vp-media dir, Nick Howse
Vp-acct dir, Alan Dinwiddie
Acct supr, Renee Neely
Acct exec, Robert Jackson
Media supr, Deborah Gray
Asst acct exec, Larry Calhoun
Hispanic agency: Conill, N.Y.
Exec vp-acct [illegible], Charles F. Magee, Jr.
Media dir, Nancy Tellet
Acct suprs: Laura Vega, Juan Carlos Pagan

2. BURGER KING RESTAURANTS

Burger King Corp.

	Media investments 1986	1985
Magazines	$ 51,300	—
Natl. Sun. mags.	—	—
Network tv	70,378,400	71,096,000
Spot tv	94,819,900	83,873,000
Network radio	—	—
Spot radio	3,421,168	2,200,020
Outdoor	1,095,000	964,000
Network cable	904,200	—
Newspapers	(No data)	(No data)
Total	**$170,669,968**	**$158,133,020**

Marketing/brand management:
Exec vp mktg, R.J. Trutz
Vp, adv & prom, Tom Kupciunas
Dirs mkt plng serv, Tom Kettinger, Melanie Wisniewski
Dir prom, Dennis Greenia
Dir adv, Chris Carroll
Dir mktg rsrch, Barry Schwartz
Mgrs adv, Christie Ferris, Barbara Lanning
Mgr prom, John Gomez, Pat Williams
Dir fld mktg, Dick Ambrose
Dir media, Denis Hitchmough
Parent: Pillsbury Co.
Agency: J. Walter Thompson, N.Y.
Sr vp-mgmt dirs: Jim Heekin (natl), Robert Norsworthy (fld)
Vp-acct dirs: Gary Steele (natl)
Vp-sr acct suprs: Anne Allen, Ann Morrow (natl)
Vp, mgmt suprs, Tom Hanson, Bob Selby, Greg Sieck (fld)
Acct reps, Laura Cheshire, Matt Heller, Ander Wensberg
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr vp-dir media plng, John Gray
Sr vp-assoc media dir (net neg), Arnold Chase
Vp-assoc media dir (plng), Al Romano
Media supr, Mark Stewart
Minority marketing agency: UniWorld Group, N.Y.
Pres-dir acct srvc, Herb Kemp
Mgmt supr, Andy Bonaparte
Acct suprs: Jim Miller, Ron Owens
Media dir, John Harris
Hispanic agency: Castor Spanish International

3. BUDWEISER BEER

Anheuser-Busch, Inc.

	Media investments 1986	1985
Magazines	$ 2,038,400	$ 1,571,000
Natl. Sun. mags.	330,200	—
Network tv	47,994,100	40,935,000
Spot tv	27,524,500	20,010,000
Network radio	7,207,900	4,047,000
Spot radio	14,340,782	11,511,830
Outdoor	2,788,700	1,713,000
Network cable	8,261,900	7,345,000
Newspapers	5,360,064	2,836,000
Total	**$115,846,546**	**$89,968,830**

Marketing/brand management:

Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Brand grp dir, Tom Sharbaugh
Sr brand mgr, Bob Gunthner
Prod mgrs: Jim Schumacker, Paul Stoddart
Agency: D'Arcy Masius Benton & Bowles, St. Louis
Sr vp-acct grp dir, Todd Abrams
Vp-mgmt supr, Jim Palumbo
Acct supr, Rich Lalley
Sr acct exec: Fred Wolter
Acct exec, Bryce McTavish
Sr vp-dir media srvcs, Jim Porcarelli
Sr vp-deputy dir media srvcs, Steve Phelps
Vp-assoc media dir, Beth Seib
Hispanic agencies: Castor Spanish International; San Jose & Associates (Midwest)

4. AT&T LONG DISTANCE LINES

(Domestic, residential)

AT&T Communications

	Media investments 1986	Media investments 1985
Magazines	$ 9,612,000	$21,417,000
Natl. Sun. mags.	748,600	1,788,000
Network tv	64,032,000	79,326,000
Spot tv	7,044,900	4,979,000
Network radio	12,276,300	9,839,000
Spot radio	333,687	17,292
Outdoor	—	6,000
Network cable	694,800	1,372,000
Newspapers*	11,887,540	19,899,000
Total	**$106,629,827**	**$138,643,292**

*M&MD estimates

Marketing/brand management:
Adv dir, K. M. Armstrong
Adv mgrs: Jane Kleban, Stephen Block, Jackie Woodall, Bruce Carlson
Parent: American Telephone & Telegraph Co.
Agencies: Young & Rubicam, New York (international consumer long distance)
Sr vp-grp dir, Mort Lowenstein
Vp-mgmt supr, Barbara Jack
NW Ayer, New York (domestic consumer long distance)
Exec vp-mging dir, acct srvcs, Dom Rossi
Sr vp-mgmt supr, Anne MacDonald
Ogilvy & Mather Direct (domestic consumer long distance)
Sr vp-mging dir, Shelley Lazarus
Vp-mgmt supr, Cynthia Grant
Hispanic markets agency: Bermudez & Assoc., L.A.
Chmn-ceo, Eduardo Bermudez
Pres, James Golightly
Vp-acct mgmt, Marguerite Cueto
Mktg dir, Curt Fields
Brand mgr, Mary Miqueli

5. FORD LOCAL DEALERS

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$63,073,100	$55,760,000
Network radio	—	—
Spot radio	84,827	68,667
Outdoor	3,938,100	2,983,000
Network cable	—	—
Newspapers	28,360,194	25,644,000
Total	**$95,456,221**	**$84,455,667**

Marketing/brand management:
Ford Motor Division:
Dealer ad mgr, H.S. Wilson
Parent: Ford Motor Co. Local Dealers
Agencies: Various

6. MILLER LITE BEER

Miller Brewing Co.

	Media investments 1986	Media investments 1985
Magazines	$ 1,431,100	$ 214,000
Natl. Sun. mags.	—	—
Network tv	60,714,700	56,162,000
Spot tv	10,194,700	10,716,000
Network radio	—	88,000
Spot radio	9,957,756	5,678,986
Outdoor	960,500	94,000
Network cable	3,043,500	2,282,000
Newspapers*	1,888,615	122,000
Total	**$88,190,871**	**$75,356,986**

Marketing/brand management:
Vp brand mgmt, Robert A. Toledo
Grp prod dir, Barry Barrett
Brand mgr, Noel Hankin
Asst brand mgrs: Jeff Schouten, Eric Hansen, Kevin Tripp, Rick Burton
Parent: Philip Morris Cos.
Agency: Backer & Spielvogel, N.Y.
Exec vp-coo, G. Robert Holmen
Sr vp-grp dir, Jeffrey F. Palmer
Vp-mgmt supr, Frank J. Assumma
Acct dir, Steve Smith
Acct execs: W. Crosby Renwick, Don Moriarty
Exec vp med svce, Stephen Leff
Sr vp media, Scot Butler
Media dir, Jay Schoenfeld
Vp assoc med dir, Bill McCarron
Hispanic Agency: Mendoza, Dillon & Associados, Inc. Newport Beach, CA
Vp acct svces, Eduardo Del Rivero

7. KENTUCKY FRIED CHICKEN FOOD SERVICE

KFC Corporation

	Media investments 1986	Media investments 1985
Magazines	—	$ 45,000
Natl. Sun. mags.	—	—
Network tv	$ 47,904,500	44,565,000
Spot tv	31,947,100	30,702,000
Network radio	—	—
Spot radio*	2,371,576	2,229,279
Outdoor	709,700	720,000
Network cable	743,300	370,000
Newspapers	(No data)	(No data)
Total	**$83,676,176**	**$78,631,279**

*M&MD estimates

Marketing/brand management:
Exec Dir, Phillip E. Risinger
Vp mktg dir, Michael O. Willson
Mgr adv svces, Susan Yates
Parent: PepsiCo Inc.
Agency: Young & Rubicam, N.Y.
Grp dir, John Glorieux
Mgmt suprs: Chris Becker, Peter Nicholson
Acct suprs: Fred Langbecker, David Findel
Acct exec, Charles Hurdman
Asst acct exec, May Wong
Media grp dir network, Paul Isaacson
Media grp supr, Ira Tumpowsky

Hyundai Excel's introduction drove the import into the top 100 entries.

8. UNITED AIRLINES PASSENGER SERVICE

United Airlines, Inc.

	Media investments 1986	1985
Magazines	$ 6,009,600	2,309,000
Natl. Sun. mags.	169,100	—
Network tv	27,628,400	28,029,000
Spot tv	14,540,900	12,579,000
Network radio	2,175,400	1,447,000
Spot radio	11,115,389	10,583,852
Outdoor	620,300	482,000
Network cable	1,665,800	1,348,000
Newspapers	19,043,368	11,734,000
Total	**$82,968,257**	**$68,511,852**

Marketing/brand management:
Sr vp mktg, James E. Goodwin
Vp adv & prom, John Ruhaak
Dir adv, Bill Alenson
Mgrs: Bill Groundwater, Al Sortwell, Joan Straub
Parent: Allegis Corp.
Agency: Leo Burnett, Chicago
Sr vp-acct dir, Jim Thompson
Vp-acct supr, John Goad
Acct supr, Mike Arnold
Sr vp mgr media dept, Willard Hadlock
Vp media dir, Sally Hunter

9. WENDY'S RESTAURANTS

Wendy's International Inc.

	Media investments 1986	1985
Magazines	$ 554,300	$ 762,000
Natl. Sun. mags.	—	—
Network tv	41,667,600	44,274,000
Spot tv	37,912,700	39,323,000
Network radio	—	—
Spot radio	391,186	464,829
Outdoor	1,293,800	1,797,000
Network cable	586,800	408,000
Newspapers	(No data)	(No data)
Total	**$82,406,386**	**$87,028,829**

Marketing/brand management:
Exec vp mktg, Charles Rath
Vp corp mktg, Bruce Ley
Vp fld mktg, Don Calhoon
Vp corp comm, Denny Lynch
Vp mktg analysis/new prod, Michael Sapienza
Agency: Backer & Spielvogel
Chair & ceo, Carl Spielvogel
Pres, William M. Backer
Exec vp-dir media svcs, Stephen M. Leff
Grp mgmt rep, Randolph C. Lindel
Media dir, Jay Schoenfeld
Black markets agency: Lockhart & Pettus, N.Y.
Sr vp-dir client srvcs, Ronn Harris
Hispanic agency: Mendoza, Dillon, & Associados, Inc. Newport Beach, Calif.
Vp acct svces, Eduardo del Rivero

Wrigley's has three gums among the Top 200 advertisers: Doublemint, Spearmint and Extra Sugar Free.

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10. AMERICAN AIRLINES PASSENGER SERVICE

American Airlines, Inc.

	Media investments 1986	1985
Magazines	$ 4,010,100	$ 2,401,000
Natl. Sun. mags.	—	—
Network tv	18,276,900	23,008,000
Spot tv	18,020,100	16,281,000
Network radio	433,200	461,000
Spot radio	14,111,408	14,217,018
Outdoor	162,100	80,000
Network cable	486,200	190,000
Newspapers	24,648,934	19,293,000
Total	**$80,148,942**	**$75,931,018**

Marketing/brand management:
Sr vp mktg, Michael W. Gunn
Vp-adv & mktg, R.A. McKinnon
Asst vp adv, Adrianna W. Smits
Vp corp comm, Lowell C. Duncan
Mgrs adv: William E. Quackenbush, Bruce Goodyear, Andrea Spica, Ann White
Asst vp sls prom, Frank J. DiNuzzo
Mgr adv admin, Gregg Mavico
Parent: AMR Corp.
Agency: Bozell Jacobs Kenyon & Eckhardt, Dallas
Exec vp-acct dir, Paul Gold
Sr vp-grp dirs, Tom Hooke, Philip Brushaber, Mary Bresnahan
Sr vp-research dir, Janice Urbanic

11. CHEVROLET LOCAL DEALERS

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$40,845,200	$46,566,000
Network radio	—	—
Spot radio	7,167	95,275
Outdoor	4,772,400	4,245,000
Network cable	—	—
Newspapers	34,462,220	34,195,000
Total	**$80,086,987**	**$85,101,275**

Marketing/brand management:
Chevrolet Div., General Motors:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman
Mktg mgrs: Ed K. Roggenkamp III (fld), Thomas R. Mason (passenger cars), John M. Kelley (trucks)
Mgrs adv: Danielle K. Colliver (passenger cars), Thomas P. Cutler (trucks)
Asst mgr fld mktg, J. D. Tidwell, Jr.
Parent: General Motors Corp. Local Dealers
Agencies: Various

12. PIZZA HUT RESTAURANTS

Pizza Hut, Inc.

	Media investments 1986	1985
Magazines	$ 98,700	—
Natl. Sun. mags.	—	—
Network tv	$21,281,900	18,433,000
Spot tv	49,983,400	44,889,000
Network radio	—	—
Spot radio	601,986	674,551
Outdoor	636,300	739,000
Network cable	814,900	397,000
Newspapers	(No data)	(No data)
Total	**$73,417,186**	**$65,132,551**

Marketing/brand management:
Sr vp mktg, David Novak
Vp adv, David Ropes
Agency: Chiat/Day, Los Angeles
Exec vp mgmt, Greg Helm
Mgmt supr, Tom Carroll
Acct suprs: Mark Billfield, Scott Flood
Vp media dir, Hank Antosz
Vp assoc med dir, Richard Wittstadt

13. AMERICAN EXPRESS CREDIT CARD SERVICES

American Express Co.

	Media investments 1986	1985
Magazines	$13,250,100	$15,239,000
Natl. Sun. mags.	544,000	594,000
Network tv	39,673,400	27,994,000
Spot tv	14,569,600	12,574,000
Network radio	—	—
Spot radio	2,619,670	5,278,646
Outdoor	14,700	13,000
Network cable	497,300	334,000
Newspapers*	388,494	—
Total	**$71,557,264**	**$62,026,646**

*M&MD estimates

Marketing/brand management:
Sr vp mktg, Morris Perlis
Vp adv, Joan Bonnetti
Agencies: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Tim Elliott
Vp-mgmt supr, Scott Marshall
Sr vp-assoc media dir, Wilma Epstein
Vp-asst media dir, Linda Fidelman
Vp-acct supr, Rebecca Saeger
McCann-Erickson, N.Y.
(Gold Card)
Sr vp-mgmt rep, Ian Hooper
Vp-acct dir, Tom Beach
Exec vp-media dir, Ira Carlin
Vp-plng mgr, Vince Tortorelli

14. MILLER HIGH LIFE BEER

Miller Brewing Co.

	Media investments 1986	1985
Magazines	$ 3,270,500	$ 4,080,000
Natl. Sun. mags.	—	—
Network tv	38,803,500	47,429,000
Spot tv	9,598,100	7,046,000
Network radio	—	—
Spot radio*	12,272,488	9,614,182
Outdoor	1,625,700	802,000
Network cable	2,082,500	1,910,000
Newspapers*	1,888,615	1,913,000
Total	**$69,541,403**	**$72,794,182**

*M&MD estimates

Marketing/brand management:
Vp brand mgmt, Robert Toledo
Brand mgr, Robert Tyley
Grp prod dir, Jerry Schmutte
Asst brand mgr, Greg Plowe
Media dir, Robert Ward
Parent: Philip Morris Cos.
Agency: JWT, New York
Sr vp-grp dir, Tim Arnold
Vp-sr acct supr, Martin Susz
Acct exec, Susan Sheldon
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr vp-dir media plng, John Gray
Vp-assoc media dir, Michael Gross
Media supr, Eric Snyder
Media plnr, Julia Harquail
Asst media plnr, Anne Gurin
Hispanic Agency: Mendoza, Dillon & Associados, Inc.
Newport Beach, Calif.
Vp acct svces, Eduardo Del Rivero

15. BUD LIGHT BEER

Anheuser-Busch, Inc.

	Media investments 1986	1985
Magazines	$ 666,600	$ 169,000
Natl. Sun. mags.	—	—
Network tv	34,332,300	30,082,000
Spot tv	16,159,400	11,844,000
Network radio	807,900	826,000
Spot radio	5,743,854	5,381,848
Outdoor	831,500	536,000
Network cable	4,130,600	3,949,000
Newspapers	206,213	270,000
Total	**$62,878,367**	**$53,057,848**

Marketing/brand management:
Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp brand dir, Tom Sharbaugh
Sr prod mgr, Joe Corcoran
Prod mgr, Mark Schupp
Agency: DDB/Needham Worldwide, Chicago
Vp-acct supr, Mike Kearns
Sr vp-mgmt rep, Don Richards
Acct exec, David Kirk
Asst acct exec, Lisa Henson
Sr vp-grp acct dir, Ron Bess
Vp-assoc media dir, Gary Mueller
Media supr, Scott Morehead
Media plnr, Greg Field
Hispanic agency: Castor Spanish International

16. DELTA AIRLINES PASSENGER SERVICE

Delta Air Lines, Inc.

	Media investments 1986	1985
Magazines	$ 413,600	$ 426,000
Natl. Sun. mags.	—	—
Network tv	2,131,600	6,142,000
Spot tv	13,246,900	13,356,000
Network radio	—	—
Spot radio	21,707,648	19,902,845
Outdoor	1,759,400	1,844,000
Network cable	4,447,900	4,715,000
Newspapers	19,051,639	16,993,000
Total	**$62,758,687**	**$63,378,845**

Marketing/brand management:
Sr vp mktg, W. W. Hawkins
System mgr, adv & sales prom, Judy Jordan
Mgrs adv: Wayne Soph, Sandy Rowan
Agency: BDA/BBDO, Atlanta
Pres-mgmt supr, Glenn Verrill
Exec vp-acct supr, Jack Walz
Exec vp-creative dir, Gregg Dearth
Sr vp-media dir, Martin Hollinger

17. EASTERN AIRLINES PASSENGER SERVICE

Eastern Air Lines Inc.

	Media investments 1986	1985
Magazines	$ 2,010,800	$ 4,397,000
Natl. Sun. mags.	67,000	31,000
Network tv	434,700	350,000
Spot tv	14,579,300	15,326,000
Network radio	—	—
Spot radio	12,828,285	14,943,609
Outdoor	767,600	1,325,000
Network cable	185,400	138,000
Newspapers	28,970,588	20,710,000
Total	**$59,843,673**	**$57,220,609**

Marketing/brand management:
Vp mktg, John W. Nelson
Staff vp adv, William H. Dowse
Mgrs: Robert A. Wolf (vacation adv), Jennifer Montague (bus adv), Robert de Cespedes (intl), Robert J. Bauer (sls prom)
Agency: Campbell-Ewald, Detroit
Sr vp-assoc mgmt supr, R. F. Henry
Vp-acct suprs: T. Steele, M. Solomon, D. McAfee
Acct supr, Jamie Hoit

(continued)

Sr vp-assoc media dir, Robert Gervason
Sr vp-media mgr, Howard Zoss
Grp sr vp, Joseph Karle
Sr vp-assoc mgmt suprs: Warren Ruden, Michael Rogers, Gunther Saupe
Exec vp-dir media srvcs, Louis M. Schultz

18. IBM PERSONAL COMPUTER SYSTEMS

IBM Information Systems Group

	Media investments 1986	Media investments 1985
Magazines	$11,686,000	$ 9,611,000
Natl. Sun. mags.	—	92,000
Network tv	33,704,100	22,376,000
Spot tv	13,400	865,000
Network radio	958,500	1,070,000
Spot Radio	248,568	3,549,321
Outdoor	—	—
Network cable	605,500	655,000
Newspapers*	8,630,500	16,670,000
Total	**$55,846,568**	**$55,888,321**

*M&MD estimates

Marketing/brand management:
Dir adv, D. T. Coker
Systems/sector adv mgr, T.D. McGovern
Workstations/administrative products adv mgr, R. J. O'Leary
Parent: International Business Machines Corp.
Agency: Lord, Geller, Federico, Einstein, N.Y.
Sr vp, Ray Freeman

19. TACO BELL RESTAURANTS

Taco Bell

	Media investments 1986	Media investments 1985
Magazines	—	$ 56,000
Natl. Sun. mags.	—	—
Network tv	1,970,100	—
Spot tv	48,267,300	$38,655,000
Network radio	—	—
Spot radio	5,208,258	11,337,885
Outdoor	302,500	589,000
Network cable	—	37,000
Newspapers	(No data)	(No data)
Total	**$55,748,158**	**$50,674,885**

Marketing/brand management:
Vp mktg, James P. Loser
Vp fld mktg, Steve Carley
Dirs fld mktg: Craig Held, Bruce Galler
Vp adv, George Reynolds
Dir media svces, Keith Landau
Mgr media srvcs, Diane Nivison
Parent: PepsiCo Inc.
Agency: Tracy-Locke, Dallas
Exec vp-mgmt rep, Tom Morris
Vp-acct suprs: Neil Naroff, Ken Gal
Vp media dir, Sandra McQuality

20. U.S. ARMY RECRUITING

U.S. Army Recruiting

	Media investments 1986	Media investments 1985
Magazines	$ 8,713.800	$ 7,818,000
Natl. Sun. mags.	790,500	355,000
Network tv	29,836,100	20,426,000
Spot tv	1,900	4,000
Network radio	8,147,000	4,543,000
Spot radio*	4,177,613	5,734,455
Outdoor	53,300	73,000
Network cable	1,698,600	1,067,000
Newspapers	1,269,053	1,929,000
Total	**$54,687,866**	**$41,949,455**

*M&MD estimates

Marketing/brand management:
Adv & sls prom dir, Col. David Fabian
Deputy dir opers, adv & sls prom, Lt Col Ronald L. Morsch
Chief, media & dist. Maj Robert E. Gaylord
Agency: Young & Rubicam, N.Y.
Exec vp grp dir, John Glorieux
Sr vp mgmt supr, Bill Green
Acct suprs: Jim Siegel, Anne Sullivan
Sr vp grp media supr, Nancy Smith
Media planning suprs: Martha Spratley, Nancy Frey

There are 14 fast-food chains in this year's ranking. Last year there were 12.

21. FORD DEALERS ASSOCIATION FRANCHISE

	Media investments 1986	Media investments 1985
Magazines	—	$ 2,000
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$37,754,200	25,062,000
Network radio	—	—
Spot radio	$4,985,119	3,942,436
Outdoor	1,463,200	1,339,000
Network cable	—	—
Newspapers	8,853,850	8,611,000
Total	**$53,056,369**	**$38,956,436**

Marketing/brand management:
Ford Motor Division:
Dealer ad mgr, H.S. Wilson
Parent: Ford Auto Dealers Association
Agencies include J. Walter Thompson, Detroit
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Hugh Trenkamp
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Note: JWT is involved with the advertising of about half of Ford's dealer associations.

22. LEE ARTIFICIAL NAILS

Lee Pharmaceuticals

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 42,342,400	$ 8,968,800
Spot tv	3,774,100	2,344,500
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	5,651,800	1,372,900
Newspapers	—	—
Total	**$51,768,300**	**$12,686,200**

Marketing/brand management:
Exec vp, treasurer, Ronald G. Lee
Agencies: Lee & Lee Advertising (in-house)
Pres, Ronald G. Lee
Western Media, Los Angeles
Sr vp dir ntwk prgm, Chuck Bachrach *(continued)*

Vp asst dir ntwk byng, Kathy McGrath
Asst buyer, Betsy Lebow

23. PEPSI-COLA

PepsiCo Inc.
(Not including Pepsi Free, Pepsi Light, Diet Pepsi, etc.)

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 4,139,800	$ 9,819,000
Spot tv	37,881,600	28,000,000
Network radio	14,000	216,000
Spot radio	5,344,128	5,958,318
Outdoor	1,221,700	1,538,000
Network cable	1,094,800	1,534,000
Newspapers	1,954,582	2,200,000
Total	**$51,650,610**	**$49,265,318**

Marketing/brand management:
Pres, Roger Enrico
Exec sr vp crtv srvcs, Allan Pottasch
Vp mktg, Mike Lorelli
Adv mgr, Jeff Myers
Media dir, Rick Rock
Assoc media dir, Mary Ann Power
Agency: BBDO, New York
Exec vp-sr mgmt rep, Gary DePaolo
Sr vp-mgmt supr, Bill Katz
Exec vp-dir media srvcs, Arnie Semsky
Sr vp-dir media plng srvcs, Mike Drake
Sr vp-dir net tv & prog, Steve Grubbs
Sr vp-assoc media dir, Ivan Becker
Vp assoc ntwk dir, Stu Shlossman
Media suprs: Rene Goldmuntz, Mary Ann Cunningham
Media plnr, Mike Giarraputo

24. MICHELOB BEER

Anheuser-Busch, Inc.

	Media investments 1986	1985
Magazines	$ 1,772,800	$ 1,976,000
Natl. Sun. mags.	—	31,000
Network tv	30,328,900	22,887,000
Spot tv	7,913,900	6,377,000
Network radio	5,204,900	3,855,000
Spot radio	2,655,996	3,676,956
Outdoor	323,700	289,000
Network cable	2,493,700	1,676,000
Newspapers	518,179	335,000
Total	**$51,212,075**	**$41,102,956**

Marketing/brand management:
Exec vp dir mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp mktg mgr, Robert Goughenour
Sr prod mgr, Pete Russell
Agency: DDB/Needham Chicago
Acct supr, Peter Kuntz
Acct exec, David Kuelper
Sr vp-mgmt rep, Don Richards
Dir acct mngt, Gene Yovatich
Vp-assoc media dir, Geoffrey McClelland
Media supr, Michael Murphy
Media planners: Kristine King, Mark Sneider
Hispanic Agency: Castor Spanish International

25. HASBRO TOYS

Hasbro, Inc.
(Not including Playskool and Milton Bradley)

	Media investments 1986	1985
Magazines	$ 70,500	$ 2,023,000
Natl. Sun. mags.	—	—
Network tv	5,845,400	17,582,000
Spot tv	42,410,800	41,259,000
Network radio	—	—
Spot radio	29,406	2,975,595
Outdoor	—	—
Network cable	2,096,400	568,000
Newspapers	—	284,000
Total	**$50,452,506**	**$64,691,595**

Marketing/brand management:
Sr vp mktg, Steve Schwartz
Corp vp mktg srvcs, Alfred C. Carosi Jr.
Dir media srvcs, Debbie Boyd
Vp boys' toys, Bob Prupis
Vp girls' toys, Maurene Souza
Agency: Griffin Bacal, New York
Pres, Tom Griffin
Exec vp client srvcs, Paul Kurnit
Exec vp-dir crtv srvcs, Joe Bacal
Exec vp-dir media srvcs, Arthur Heller
Sr vp-crtv dir, Leonard Leokum
Vp-mgmt suprs: Bob Horne (boys'), Mary Sue Robinson (girls' and softies)

26. NISSAN COMPACT TRUCKS

Nissan Motor Co. Ltd.

	Media investments 1986	1985
Magazines	$ 4,977,400	$ 3,163,000
Natl. Sun. mags.	—	—
Network tv	15,037,100	13,739,000
Spot tv	20,462,400	20,448,000
Network radio	—	—
Spot radio*	5,618,044	10,047,388
Outdoor	160,600	353,000
Network cable	158,700	310,000
Newspapers	3,360,677	3,326,000
Total	**$49,774,921**	**$51,386,388**

*M&MD estimates

Marketing/brand management:
Dir gen mgr adv & sls prom, Joe Opre
Natl truck adv mgr, Dave Hubbard
Media plng mgr, Susan Furedi
Agency: William Esty, NY
Sr vp-acct dir, Dick Macedo (L.A.)
Sr vp-acct svces, Don Trepte (L.A.)
Sr vp media dir, Stacey Lippman
Sr vp-grp media dir, Lucielle Gionet
Assoc media dirs: Doug Powers (N.Y.), Jolene Fedrick (L.A.)

27. NISSAN DEALERS ASSOCIATION FRANCHISE

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$47,871,400	$46,818,000
Network radio	—	—
Spot radio	186,628	428,143
Outdoor	14,000	—
Network cable	—	(No data)
Newspapers	886,040	1,662,000
Total	**$48,958,068**	**$48,908,143**

Marketing/brand management:
Nissan Auto Dealers Assoc.:
Dir gen mgr adv & sls prom, Joe Opre
Natl dealer adv mgr, Byrne Owens
Dealer adv suppt mgr, Dale Finley
Media plng mgr, Susan Furedi
Parent: Nissan Auto Dealers Association
Agencies: Various

28. ADVIL PAIN RELIEVER

Whitehall Laboratories

	Media investments 1986	1985
Magazines	$ 4,533,800	$ 3,047,000
Natl. Sun. mags.	33,500	—
Network tv	40,032,600	29,556,000
Spot tv	818,300	1,801,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	637,000	640,000
Newspapers	31,815	—
Total	**$46,087,015**	**$35,044,000**

Marketing/brand management:
Vp mktg, Andrew C. Davis
Grp prod mgr, Holly Crosbie-Foote
Sr prod mgr: Don Raskin
Prod mgrs: Brian Pazaras, Mike Gemma
Adv dir, Steven Palmisano
Asst prod mgr, Susan Sprung
Prod mgr-pub rel, Dorothy Wetzel
Parent: American Home Products Corp.
Agency: Young & Rubicam, N.Y.
Sr vp-grp dir, Art Klein
Sr vp-mgmt supr, Tim Fitzgerald
Acct supr, Fred Langbecker
Acct exec, Patricia Willis, Paul Gundlach
Sr vp media, Joseph Mannix
Media supr, Jean Mason

29. MIDAS MUFFLER & BRAKE SHOPS

Midas International Corp.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$15,265,400	$17,823,000
Spot tv	20,808,400	19,667,000
Network radio	—	—
Spot radio*	6,341,281	9,275,464
Outdoor	58,400	95,000
Network cable	—	—
Newspapers	(No data)	(No data)
Total	**$42,473,481**	**$46,860,464**

*M&MD estimates

Marketing/brand management:
Vp franchise oper & mktg, Russ Richards
Vp adv & pub rels, Ralph Linder
Adv mgr, Karen Greco
Parent: IC Industries Inc.
Agency: Wells, Rich, Greene, Chicago
Pres-acct grp dir, Larry Singer
Vp natl acct supr, Robert DiFranco
Sr vp-dir fld srvc, Stan Flaum
Sr vp-media dir, Jill Cassorla
Assoc media dir, Constance MacTaggart

30. TRUE VALUE STORES

Cotter & Co.

	Media investments 1986	1985
Magazines	$ 4,693,100	$ 5,436,000
Natl. Sun. mags.	56,300	—
Network tv	12,331,100	14,656,000
Spot tv	11,562,300	13,126,000
Network radio	10,663,100	9,049,000
Spot radio	1,264,655	1,490,823
Outdoor	60,800	44,000
Network cable	1,588,200	1,492,000
Newspapers	—	—
Total	**$42,219,555**	**$45,293,823**

Marketing/brand management:
Sec/treas-merch mgr, Ed Lanctot
Agency: Home Products Marketing, Chicago (in-house)
Sls prom mgr, Harry Adams
Adv mgr (regional), Gary Coppinger

31. FORD TAURUS

Ford Motor Co.

	Media investments 1986	1985
Magazines	$14,310,100	$ 4,190,100
Natl. Sun. mags.	—	—
Network tv	22,528,100	3,679,700
Spot tv	2,574,800	273,800
Network radio	1,311,400	1,554,800
Spot radio	171,265	80,529
Outdoor	301,900	—
Network cable	594,500	58,700
Newspapers	105,564	85,682
Total	**$41,897,629**	**$9,923,311**

Marketing/brand management:
Ford Division:
Vp-gm, R.L. Rewey *(continued)*

AKRON BAG LADIES

They're everywhere. Toting bags. Pushing shopping carts filled to the brim...with groceries.

In the four-county area surrounding Akron, shoppers spent nearly $1.4 billion on food purchases. That's no small potatoes. The problem is these shoppers may not be buying your brand if you're not advertising in their brand of newspaper—The Beacon Journal.

Considering 30% of the Cleveland ADI is in the Akron Newspaper Designated Market, you may be missing a lot of coupon clippers who shop at the large regional chains as well as locally owned and operated supermarkets. With daily readership totalling 312,000, The Beacon Journal provides a large audience hungry for your products.

Put Akron on your media shopping list. Advertise in the city's appetizing newspaper.

The Beacon Journal

44 East Exchange Street Akron, Ohio 44328 216/375-8261 A Knight-Ridder Newspaper

Circulation Figures/1986 ABC Reports
Population & Household Figures/© 1987 S&MM Survey of Buying Power Data Service

Gen mktg mgr, Ross Roberts
Adv mgr, John Vanderzee
Car ad mgr, R. J. Gillooly (cars)
Dealer ad mgr, H.S. Wilson
Agency: J. Walter Thompson, Detroit
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Chuck Balestrino
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Alfredo Jarrin
Acct supr, Andrea Doren
Media dir, Carlos Cintron
Acct exec, Ivan Pichardo
Black agency: Burrell Advertising
Vp-mgmt supr, Don Coleman
Acct exec, Esther Terrell
Vp-media dir, Nick Howse
Assoc media dir, Zeline Kelly
Media plnr, Mary Johnny

32. COORS BEER

Adolph Coors Co.

	Media investments 1986	1985
Magazines	$ 182,800	2,039,000
Natl. Sun. mags.	—	—
Network tv	20,471,900	$11,408,000
Spot tv	13,997,900	17,882,000
Network radio	—	—
Spot radio	4,528,324	6,143,698
Outdoor	510,500	1,020,000
Network cable	832,100	885,000
Newspapers	1,231,931	1,465,000
Total	**$41,755,455**	**$40,842,698**

Marketing/brand management:
Exec vp sls & mktg, Robert A. Recholtz
Vp mktg, Rob Klugman
Brand dir, Gary Naifeh
Brand mgr, Bob McBride
Vp mktg devel, Gary Truitt
Agency: Foote, Cone & Belding, Chicago
Sr vp-grp acct dir, Bill Melzer
Vp-acct dirs: Dale Smith, Jim Gregga, Tim Prosch, Randy Windschitl
Acct dir, David Sollitt
Acct exec, Pam Crowson-Brash
Sr vp media, Fred Wray
Vp-grp media dir, Kent Vlautin
Media suprs: Bill Blaha, Mary Salmich, Steve Vye, Doug Powell, Lynne Muth
Black agency: UniWorld, N.Y.
Chmn-ceo, Byron Lewis
Pres-dir acct srvcs, Herb Kemp
Acct supr, Fred Jackson
Grp media dir, John Harris
Vp-assoc crtv dir, Valerie Graves
Hispanic markets agency: GSD&M, Austin, TX
Chmn, Steve Gurasich
Sr vp, Chuck Grady
Dir Hispanic srvcs, Raoul Rodriguez
Corp & pub affrs dir, Hank Olguin
Vp-assoc media dir, Tina Williamson

33. AT&T BUSINESS LONG DISTANCE

AT&T Communications

	Media investments 1986	1985
Magazines	$7,685,100	$ 10,726,000
Natl. Sun. mags.	33,500	—
Network tv	18,527,000	29,417,000
Spot tv	7,754,900	5,752,000
Network radio	1,926,300	372,000
Spot Radio	—	—
Outdoor	—	—
Network cable	928,700	1,178,000
Newspapers*	4,639,400	4,232,000
Total	**$41,494,900**	**$51,677,000**

*M&MD estimates

Marketing/brand management:
Adv dir, C.L. Mitchell Jr.
Div mgrs: P.C. Shyposh, W.J. Higgins
Parent: American Telephone & Telegraph Co.
Agency: McCann-Erickson, N.Y. (domestic business long distance)
Sr vp-grp mgmt dir, H. O'Brien
Sr vp-mgmt rep, T. Driscoll
Young & Rubicam, New York
(International business long distance)
Sr vp-grp dir, M. Lowenstein
Sr vp-mgmt supr, M. Linder

The U.S. Mint made the list, thanks to the Statue of Liberty coins.

34. AT&T INTERNATIONAL LONG DISTANCE SERVICE

AT&T Communications

	Media investments 1986	1985
Magazines	$15,176,400	$9,482,000
Natl. Sun. mags.	824,400	257,000
Network tv	2,090,200	—
Spot tv	17,140,300	14,794,000
Network radio	623,600	—
Spot radio	—	—
Outdoor	—	—
Network cable	879,900	444,000
Newspapers*	4,349,100	4,326,000
Total	**$41,083,900**	**$29,303,000**

*M&MD estimates

Marketing/brand management:
Adv dir, K. M. Armstrong
District mgrs: J. Kleban, S. Block, J. Woodall
Parent: American Telephone & Telegraph Co.
Agency: Young & Rubicam, N.Y.
Sr vp-grp dir, M. Lowenstein
Vp-mgmt supr, Barbara Jack
Hispanic agency: Bermudez Associates
Sr acct exec, Ava Overstreet

35. KROGER FOOD STORES

The Kroger Co.

	Media investments 1986	1985
Magazines	$ 763,800	$ 56,000
Natl. Sun. mags.	—	—
Network tv	1,846,100	9,000
Spot tv	35,614,100	24,352,000
Network radio	—	—
Spot radio	—	—
Outdoor	2,296,600	533,000
Network cable	295,100	—
Newspapers	(No data)	(No data)
Total	**$40,815,700**	**$24,950,000**

Marketing/brand management:
Vp adv, Dick Owens
Adv mgr (Kroger food stores), Greg Klausing
Adv mgr (corp hdqtrs), Rich McGraw
Agency: Campbell-Mithun, Chicago
Exec vp, gen admin mgr, Marvin Goldsmith
Vp mngt supr, Jon Wylie
Vp mngt supr, John Kroening

36. MILK INDUSTRY PROMOTION

American Dairy Association

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$28,689,200	$ 23,329,000
Spot tv	8,013,800	13,122,000
Network radio	—	—
Spot radio	3,213,210	3,269,160
Outdoor	41,100	26,000
Network cable	242,500	—
Newspapers*	194,467	73,000
Total	**$40,394,277**	**$39,819,160**

*M&MD estimates

Marketing/brand management:
Sr vp mktg, adv & mktg srvcs, United Dairy Industry Association, and pres, American Dairy Association, Joseph B. Kelsch
Vp-mktg plng, Stephen A. Dohrmann
Vp-mktg srvcs, Grover B. Simpson
Dir adv srvcs, Donna A. Arcus
Mktg mgr-manufactured prods, Amy Truitt
Parent: United Dairy Industry Association
Agency: DMB&B, Chicago
Sr vp-mgmt supr, Ben Bishop
Vp-acct grp suprs: Bob Meuser, Dave Urbaniak, Mike Leonhart
Acct suprs: Brad English, Andrea Dichter
Sr vp-dir media srvcs, Joe Zeller
Vp-assoc media dir, Willard Hemsworth

37. TOYOTA DEALERS ASSOCIATION FRANCHISE

Toyota Motor Corp.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$36,530,500	7,853,900
Network radio	—	—
Spot radio	2,646,506	2,446,560
Outdoor	5,800	3,000
Network cable	—	—
Newspapers	883,791	429,475
Total	**$40,066,597**	**$10,732,935**

Marketing/brand management:
Corp mktg mgr, George Borst
Adv str & media mgr, Jan Olson
Brand mgrs: Kevin Flynn, Dave Danzer (cars), Don Cecconi (trucks)
Agency: DFS Dorland/S. Calif. (Torrance)
Exec vp, Bob Coumier

38. OLDSMOBILE DEALERS ASSOCIATIONS

	Media investments 1986	1985
Magazines	—	$ 24,000
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$36,532,100	33,621,000
Network radio	—	—
Spot radio	201,209	211,168
Outdoor	—	130,000
Network cable	—	—
Newspapers	4,296,696	3,669,000
Total	**$40,030,005**	**$37,655,168**

Marketing/brand management:
Oldsmobile Div., General Motors:
Gm, W. W. Lane
Gen sls mgr, D. E. Lahti
Exec asst gen sls mgr-mktg, W.E. Christell
Dir mktg, R. B. Jarboe
Adv mgr, R. J. Billings
Asst adv mgr, D. A. Shankwiler
Parent: General Motors Corp.
Agencies: Various
Some 130 dealer associations nationwide are represented by about 80 agencies.

39. YVES SAINT LAURENT RITZ 100's, REGULAR & MENTHOL FILTER CIGARETTES

R.J. Reynolds Tobacco Co.

	Media investments 1986	1985
Magazines	$ 9,802,500	$ 1,568,800
Natl. Sun. mags.	9,492,400	337,700
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	9,318,000	678,000
Network cable	—	—
Newspapers	11,364,216	1,415,461
Total	**$39,977,116**	**$3,999,961**

Marketing/brand management:
Vp mktg, J. T. Winebrenner
Mktg dir, R. M. Sanders
Brand mgr, R. Tompson
Dir media Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco
Agency: FCB/Leber Katz Partners, N.Y.
Exec vp grp mgmt dir, Robert Hirsch
Acct dir, Rosemary O'Leary
Acct exec, Kim Glatt

40. MILLER HIGH LIFE GENUINE DRAFT BEER

Miller Brewing Company

	Media investments 1986	1985
Magazines	$1,456,000	—
Natl. Sun. mags.	—	—
Network tv	$29,873,200	—
Spot tv	5,953,300	—
Network radio	—	—
Spot radio	$269,248	—
Outdoor	1,000	—
Network cable	369,700	—
Newspapers	1,885,120	—
Total	**$39,807,568**	—

Marketing/brand management:
Vp brand mgmt, Robert Toledo
Grp prod dir, Jerry Schmutte
Asst brand mgr, Greg Plowe
Media dir, Robert Ward
Parent: Philip Morris Cos.
Agency: Backer & Spielvogel N.Y.
Sr vp grp dir, Dean Scaros
Vp acct supr, Mike Russell
Acct supr, Andrew Rider
Acct execs: Ken Wright, J.B. Raftus
Sr vp media, Scot Butler
Media Dir, Jay Schoenfeld
Exec vp media svces, Steve Leff
Vp assoc media dir, John Gates
Media supr, Dave Kupiec

Lee Nails' use of discounted tv time led to its debut at no. 22.

41. RED LOBSTER RESTAURANTS

Red Lobster Inns of America

	Media investments 1986	1985
Magazines	—	$ 372,000
Natl. Sun. mags.	—	—
Network tv	$ 27,096,400	12,883,000
Spot tv	9,386,300	14,832,000
Network radio	—	—
Spot radio	1,226,789	1,025,056
Outdoor	268,100	200,000
Network cable	80,800	—
Newspapers	(No data)	(No data)
Total	**$38,058,389**	**$29,312,056**

Marketing/brand management:
Vp dir adv & prom, Charles Tate
Natl media mgr, Leslie Fontenot
Fld adv & prom supr, Cynthia Pappas
Parent: General Mills, Inc.
Agency: Grey Advertising, Inc. N.Y.
Exec vp, Stew Hegleman
Sr vp, Warren Fischer

42. ABC TV NETWORK

Capital Cities/ABC, Inc.

	Media investments 1986	1985
Magazines	$24,134,700	$28,740,000
Natl. Sun. mags.	494,000	407,000
Network tv	—	—
Spot tv	4,300	11,000
Network radio	255,900	33,000
Spot radio	7,588,367	3,066,423
Outdoor	10,400	21,000
Network cable	605,300	620,000
Newspapers*	4,933,012	10,359,000
Total	**$38,025,979**	**$43,257,423**

*MM&D estimates

Marketing/brand management:
Vp affiliate mktg srvcs, Pete Barrett (N.Y.)
Vp mktg, Candace Farrell (L.A.)
Dir adv, Joe Green (L.A.)
Vp, creative adv, Mark Zakarin (L.A.)
Agencies: Bozell, Jacobs, Kenyon & Eckhardt, New York
(News)
Vp-mgmt supr, Les Koll
Vp,-acct supr, John Garment
Sr vp-media dir, Joel Kushins
Vp-assoc media dir, Andrea Weinreb
Lois Pitts Gershon Pon/GGK, NY
(Sports)
Dir-acct srvcs, John Tracosas
Acct supr, Dwight Davis
Acct exec, Andry Brief
Media plnr, Len Chaim
Media supr, Tony O'Haire
Grey, New York
(Entertainment programing)
Exec vp-dir media & prog, Alec Gerster
Exec vp, Donald Foley

Four domestic airlines, with a total of $285.7 million in spending, made the top 25.

43. SEARS MISCELLANEOUS BRANDS

Sears Roebuck & Co.

	Media investments 1986	1985
Magazines	$ 934,500	$ 1,959,000
Natl. Sun. mags.	179,100	105,000
Network tv	18,356,600	28,263,000
Spot tv	8,389,900	9,759,000
Network radio	9,711,000	4,332,000
Spot radio	—	—
Outdoor	120,800	20,000
Network cable	206,100	711,000
Newspapers	(No data)	(No data)
Total	**$37,898,000**	**$45,149,000**

Marketing/brand management:
Natl rtl adv mgr, William Cora
Natl adv srvc mgr, Jack Lewis
Mgr natl media srvcs (magazines, bdcst), Bernie Miller
Mgr bdcst oper, Barbara Drier
Agencies: Ogilvy & Mather, Chicago
(retail and catalog advertising,

There's no business like the mature market business!

25% of our readers own 3 television sets, 38% own a 35mm camera, and 54% own an electric food processor.

50plus

850 THIRD AVE. • NEW YORK, NY 10022 • (212) 715-2781

network tv, network radio, spot tv and spot radio)
Exec vp-Pres (Chicago), Bill Whitney
Sr vp-managing dir, Wim Slootweg
Sr vp-grp mgmt supr, Al Mager
Vp-mgmt suprs: Robert Vail, Dan Delaney, Bruce Jasurda,
Acct suprs: Don Campbell, Jeff Totaro, Brenda Miller, Margaret Mooney, Ann Sundet, Steve Nance
Sr vp, media dir, Bill Behrmann
Vp assoc media dir, Tom Bell
Media suprs: Marklyn Kelly, Dave Flockencier
Media plnrs: Roman Martens, Dave Rasmussen, Lori Segal
Asst plnrs: JoAnn Farrington, Dina Kaplan, Julie Overman
Hispanic markets agency: Hispania/JWT, Chicago
Sr vp-gm, Caroline Demy (N.Y.)
Acct supr, Marta Perez-Gerdes
Media dir, Carlos Cintron (N.Y.) (N.Y.)

44. SEARS HOUSEHOLD ITEMS

Sears Roebuck & Co.

	Media investments	
	1986	1985
Magazines	$ 6,924,700	$ 2,129,000
Natl. Sun. mags.	1,581,900	—
Network tv	14,830,300	24,849,000
Spot tv	1,727,100	2,999,000
Network radio	12,225,300	8,064,000
Spot radio	—	—
Outdoor	5,000	19,000
Network cable	194,700	596,000
Newspapers	(No data)	(No data)
Total	**$37,489,000**	**$38,656,000**

Marketing/brand management:
Natl rtl adv mgr, William Cora
Natl adv srvc mgr, Jack Lewis
Mgr natl media srvcs (magazines, bdcst), Bernie Miller
Mgr bdcst oper, Barbara Drier
Agencies: Ogilvy & Mather, Chicago
(retail and catalog advertising network tv, network radio, spot tv and spot radio)
Exec vp-Pres Chicago, Bill Whitney
Sr vp-managing dir, Wim Slootweg
Sr vp-grp mgmt supr, Al Mager
Vp-mgmt suprs: Robert Vail, Dan Delaney, Bruce Jasurda
Acct suprs: Don Campbell, Jeff Totaro, Brenda Miller, Margaret Mooney, Ann Sundet, Steve Nance
Sr vp media dir, Bill Behrmann
Vp assoc media dir, Tom Bell
Media suprs: Marilyn Kelly, Dave Flockencier
Media plnrs: Roman Martens, Dave Rasmussen, Lori Segal
Asst plnrs: JoAnn Farrington, Dina Kaplan, Julie Overman
Hispanic markets agency: Hispania/JWT, Chicago
Sr vp-gm, Caroline Demy (N.Y.)
Acct supr, Marta Perez-Gerdes
Media dir, Carlos Cintron (N.Y.)

45. TOYOTA LOCAL DEALERS

	Media investments	
	1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$19,887,400	$17,231,000
Network radio	—	—
Spot radio	—	—
Outdoor	2,345,500	1,740,000
Network cable	—	—
Newspapers	15,167,507	14,476,000
Total	**$37,400,407**	**$33,447,000**

Marketing/brand management:
Toyota Motor Sales U.S.A.:
Corp mktg dir, George Borst
Adv strtgy & media mgr, Jan Olson
Brand mgr, Kevin Flynn
Parent: Toyota Motor Co. Ltd.
Local Dealers
Agencies: Various

46. CHEVROLET PASSENGER CARS

(multi-product ads)

Chevrolet Motors Division

	Media investments	
	1986	1985
Magazines	$ 308,300	$ 1,401,000
Natl. Sun. mags.	—	880,000
Network tv	12,338,000	10,498,000
Spot tv	1,694,300	407,000
Network radio	5,163,600	494,000
Spot radio	14,109,909	—
Outdoor	230,200	416,000
Network cable	86,500	15,000
Newspapers	3,377,990	6,324,000
Total	**$37,308,799**	**$20,435,000**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Fld mktg mgr, Edd K. Roggenkamp III
Asst gen sls mgr, M. H. Erdman
Mktg mgr passenger cars, Thomas R. Mason
Mgr passenger car adv, Danielle K. Colliver
Parent: General Motors Corp.
Agency: Campbell-Ewald, Detroit
Exec vp-acct dir, Robert H. Schirmer
Grp sr vp-grp mgmt suprs: Donald D. Williams (cars), Anthony J. Hopp (regional)
Vp-acct supr, Michael Ryan
Exec vp-media dir, Louis M. Schultz
Sr vp-assoc media dir, James Birchfield
Sr vp-dir natl bdcst buying, Judy Sawyer
Sr vp-dir lcl mkt media, Robert Mitchell
Vp-media suprs: Barb Munro, Jack Winkleseth

47. DOMINO'S RESTAURANTS

Domino's Pizza Inc.

	Media investments	
	1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 19,495,800	$9,298,000
Spot tv	14,223,600	8,077,000
Network radio	—	195,000
Spot radio	2,234,566	1,909,095
Outdoor	642,600	829,000
Network cable	334,100	1,000
Newspapers	(No data)	(No data)
Total	**$36,930,666**	**$20,309,095**

Marketing/brand management:
Vp mktg, Sam Fine
Natl dir adv & fld mktg, Mike Raymond
Dir pub rel, Ron Hingst
Agency: Group 243, Ann Arbor, Mich.
Pres, Janet Muhleman
Vp-mktg srvcs, Bruce Smith
Acct supr, Lori Comparin

48. PONTIAC DEALERS ASSOCIATION FRANCHISE

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$35,698,300	$28,974,000
Network radio	—	—
Spot radio	419,603	137,482
Outdoor	46,500	25,000
Network cable	—	—
Newspapers	604,069	728,000
Total	**$36,768,472**	**$29,864,482**

Marketing/brand management:
Pontiac Div., General Motors Corp.:
Gm, J. Michael Losh
Gen sls & srvc mgr, E. M. Schlesinger
Dir mktg, J. D. Murray
Natl & dlr adv, E. H. Smith
Dlr mktg grps mgrs: (East, South) L. K. Anderson, (Central, West), M. M Dilworth
Parent: General Motors Corp. Dealers Association
Agencies: Various
(DMB&B Bloomfield Hills, MI handles Pontiac's national advertising)

49. NUPRIN PAIN RELIEF FORMULA TABLETS

Bristol-Myers Co.

	Media investments 1986	1985
Magazines	$ 4,887,600	$ 3,505,000
Natl. Sun. mags.	55,300	65,000
Network tv	30,035,100	22,162,000
Spot tv	426,400	1,815,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	851,600	875,000
Newspapers	70,710	32,000
Total	**$36,326,710**	**$28,454,000**

Marketing/brand management:
Sr vp sls & mktg, Stephen Bear
Grp prod mgr, Patricia Kriger
Mktg dir, Beth Culligan
Agency: Grey, New York
Sr vp, Herb Lieberman
Exec vp media & prog srvcs, Alec Gerster

50. COLUMBIA RECORD & TAPE CLUB

Columbia House

	Media investments 1986	1985
Magazines	$15,483,000	$15,518,000
Natl. Sun. mags.	11,047,900	10,045,000
Network tv	—	—
Spot tv	413,300	559,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	—	4,000
Newspapers	8,818,958	10,211,000
Total	**$35,763,158**	**$36,337,000**

PAIN RELIEF

If you're looking to the Seven Sisters for relief, look again. Simmons* says Woman's World gives you greater percent composition of women users of pain relievers and headache remedies. Not to mention our heavier users of cold, allergy, and sinus remedies. And pain relievers for children. Feeling a dull ache? Call us for the cure at 212-953-3344.

*1986 SMRB

Woman's World THE WOMAN'S WEEKLY

Unique every week

Marketing/brand management:
Vp-music mktg, Sharon Karoki
Dir music club adv, Joan Stamler
Dir compact disc club, Pam Lehman
Parent: CBS Inc.
Agency: Wunderman, Ricotta & Kline, N.Y.
Sr vp-grp dir, Peter Rabar
Vp-assoc media dir, Juliet Munoz-Darnell
Media supr, Bill Colihan

> **McDonald's leads the list with almost double the spending of the second-ranked advertiser, Burger King.**

51. SEVEN-UP SOFT DRINK

The Seven-Up Co.

	Media investments 1986	1985
Magazines	—	$ 50,000
Natl. Sun. mags.	—	—
Network tv	19,690,700	12,312,000
Spot tv	8,227,500	6,392,000
Network radio	—	—
Spot radio	2,095,006	2.426,944
Outdoor	3,191,200	1,403,000
Network cable	716,500	529,000
Newspapers	1,762,893	579,000
Total	**$35,683,799**	**$23,691,944**

Marketing/brand management:
Sr vp mktg, Russ Klein
Dir brand mgmt, Bill Thompson
Mgr media svces, Nick Luciano
Parent: Hicks & Haas
Agency: Leo Burnett, Chicago
Sr vp-grp dir, John Miller
Vp-acct supr, Jack Woods
Acct exec, Paula McCloud
Sr vp media, Willard Hadlock
Vp-media dir, Dick Hobbs
Media supr, Kathy Grief
Minority agency: UniWorld, St. Louis
Acct supr, Ronald C. Owens
Media dir, Sherri Cherot
Mgmt supr Hispanic, Neil Campbell

52. COCA-COLA SOFT DRINK

Coca-Cola USA

(Not including Caffeine Free Coke, Cherry Coke, Coke Classic, Diet Coke, etc.)

	Media investments 1986	1985
Magazines	$ 61,400	$ 228,000
Natl. Sun. mags.	—	—
Network tv	11,540,800	24,587,000
Spot tv	13,218,900	22,483,000
Network radio	—	338,000
Spot radio	5,836,882	5,078,470
Outdoor	2,323,900	2,982,000
Network cable	1,732,100	1,335,000
Newspapers	921,698	2,551,000
Total	**$35,655,680**	**$59,582,470**

Marketing/brand management:
Sr vp mktg, John C. Reid
Grp brand dir, William Schermerhorn
Vp-corp media dir worldwide, William H. Lynn
Corp media mgr, John Drollinger
Brand mgr, Paul Porwoll
Parent: Coca-Cola Co.
Agency: McCann-Erickson, N.Y.
Exec vp-NY, John Dooner
Sr vp-grp mgmt dir, Ed Comiskey
Sr vp-mgmt rep, Robert Dunn
Acct exec, Susan Mitchell
Exec vp-worldwide media srvcs, Gordon Link
Exec vp-media dir, Ira Carlin
Vp-plng mgr, Stan Weinstein
Vp-assoc media dir, Kevin Mannion
Media grp head, Mike Delaney
Vp-worldwide coor, Ron Hatcher
Media supr, Vic Ruvolo
Media plnr, Jim Hommel
Worldwide coors: Sandra Familet, Chris Fay
Black agency: Burrell Advertising
Sr vp-gm William Sharp
Vp-acct supr, Neva Richardson
Acct exec, Barbara Jackson
Vp-media dir, Nick Howse
Media supr, Michelle Garner
Hispanic agency: Castor Spanish International, Inc.

53. DISCOVER CREDIT CARD SERVICE

Sears Roebuck & Co.

	Media investments 1986	1985
Magazines	$ 7,022,700	$ 426,700
Natl. Sun. mags.	—	—
Network tv	22,022,800	—
Spot tv	3,207,600	450,000
Network radio	2,568,900	—
Spot radio	285,044	163,182
Outdoor	67,900	—
Network cable	135,400	—
Newspapers	(No data)	(No data)
Total	**$35,310,344**	**$1,039,882**

Marketing/brand management:
Dir grp mktg, Nancy Donovan
Grp adv, Bill Walsh
Discover Card mktg, Bill Jalter
Discover Card adv, Ernie Campo
Agency: J. Walter Thompson, Chicago
Sr vp-grp dir, Bruce Beach
Sr vp-acct supr, Bill Hooe
Vp-acct supr, Dinny Cosyns
Sr-media, Bob Irvine
Vp-grp media dir, Honora Dee
Acct media dir, Mariclaire Haggarty

54. DIET COKE SOFT DRINK

Coca-Cola USA

	Media investments 1986	1985
Magazines	$ 189,800	$ 453,000
Natl. Sun. mags.	—	—
Network tv	18,612,300	18,486,000
Spot tv	13,542,100	12,835,000
Network radio	—	19,000
Spot radio	1,674,980	1,228,200
Outdoor	65,700	134,000
Network cable	822,300	292,000
Newspapers	301,706	551,000
Total	**$35,208,886**	**$33,998,200**

Marketing/brand management:
Sr vp mktg, John C. Reid
Grp brand mgr, Micheal Beindorff
Brand mgr, Daniel Sayre
Grp brand mgr, Virginia Rockwell
Asst brand mgr, Brian Lanahan
Agency: SSC&B, New York
Exec vp, F. Stone Roberts
Sr vp-mgmt supr, Donald Lenehan
Vp-acct supr, Michael Skoletsky
Acct execs: Brenda Brinker, Roger Fishman *(continued)*

Exec vp media, Robert Lilley
Media dir, Alan Jurmain
Vp-assoc media dir, Chris Gagen
Asst media dir, Lloyd Weber
Media plnr, Sarah Van Tuyl
Black agency: Burrell Advertising
Sr vp-gm William Sharp
Vp-acct exec, Neva Richardson
Acct exec, Barbara Jackson
Vp-media dir, Nick Howse
Media supr, Michelle Garner
Hispanic agency: Castor Spanish International, Inc.

The Kiwanis Magazine Readers
Business Executives . . . Professionals . . . Community Leaders

Now You Can Meet Them Head On Through The

KIWANIS MAGAZINE SPEAKERS BUREAU

Kiwanis magazine now offers, as a merchandising service to advertisers, access to our readers in the best possible environment — face-to-face, where it counts the most — their own communities.

Your national marketing staff, public relations personnel or others are invited to avail themselves as guest speakers at Kiwanis' community meetings as a complement to advertisements in Kiwanis magazine.

Join Our Participants ... U.S. Postal Service ... American Bankers Association ... American Council of Life Insurance ... American Medical International ... AMICARE ... Comprehensive Accounting Corp. ... IDS/American Express ... Chrysler Corporation ... Allstate Insurance ... Department of Defense ... Coopers & Lybrand ... in presenting valuable programs on financial planning, travel tips, trends & developments in business, whatever your field of expertise.

We Ask Only

1) That there be no solicitation of members as part of any presentation

2) That presentations and programs be provided at no charge to either Kiwanis International or its participating clubs

Take Advantage Of A Unique Opportunity

Pass your or your organization's message on to our members — Personally

Call or write today for more information

Pat Hatcher, Advertising Director
Kiwanis Magazine
3636 Woodview Trace
Indianapolis, IN 46268
(317) 875-8755

55. NABISCO COOKIES

Nabisco Brands, Inc.

(Not including separate Fig Newton and Apple Newton advertising)

	Media investments 1986	Media investments 1985
Magazines	$ 630,800	$ 2,713,000
Natl. Sun. mags.	408,800	22,000
Network tv	29,495,900	18,255,000
Spot tv	3,442,700	5,010,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	870,900	1,097,000
Newspapers	211,169	540,000
Total	**$35,060,269**	**$27,637,000**

Marketing/brand management:
Vp mktg, Harry Lees
Mktg dir, Bill Stuart
Grp prod dirs: Norman Vergara, Carol Lewbell Gray
Parent: RJR Nabisco Inc.
Agencies: DFS-Dorland, New York (Almost Home, Chips Ahoy, Chewy Chips Ahoy)
Exec sr vp-mgt dir, Ray Caro
Sr vp-acct supr, Gay Clark
Acct suprs: Andy Gray, Marty Gertler, Jacqleen Farrell
Sr vp media, Lou Capozzoli
Exec vp-media dir, Allen Banks
Vp-assoc media dirs: Lucille Monaco, Deborah Engelhart, Diane Cimine

56. NBC TV NETWORK

National Broadcasting Co.

	Media investments 1986	Media investments 1985
Magazines	$24,005,900	$25,761,000
Natl. Sun. mags.	379,600	292,000
Network tv	—	—
Spot tv	200	2,000
Network radio	2,012,300	1,638,000
Spot radio	349,217	179,150
Outdoor	69,900	107,000
Network cable	21,200	54,000
Newspapers	8,093,621	9,853,000
Total	**$34,931,938**	**$37,886,150**

Marketing/brand management:
Vp media plng & prom svces, Paul Wang (N.Y.)
Dir media plng, Marla Goldstein (Burbank)

(continued)

Vp corp adv, Frank N. Pintauro (N.Y.)
Vp adv & prom, John Miller (Burbank)
Parent: General Electric Co.
Agency: Diener/Hauser/Bates, L.A./N.Y.
Exec vp media, Norman Trell (N.Y.)
West coast pres-acct mgmt supr, Eugene B. Cofsky
Sr vp-media dir, Cheryl Lodinger (N.Y.)
Vp-media dir, Nicky Shapiro (L.A.)
Media plnr, Joan Condon (L.A.)
Movies-of-the-Week & Mini-Series:
Acct supr-crtv dir, Melanie Paykos (L.A.)
Assoc acct supr-crtv dir, Jane Lodato (L.A.)

57. TOYOTA COMPACT TRUCKS

Toyota Motor Corp.

	Media investments	
	1986	1985
Magazines	$ 2,337,900	$ 1,773,000
Natl. Sun. mags.	286,400	—
Network tv	7,775,500	6,871,000
Spot tv	17,348,000	10,704,000
Network radio	—	74,000
Spot radio*	2,619,463	2,255,206
Outdoor	169,200	—
Network cable	957,700	1,146,000
Newspapers	3,214,132	1,512,000
Total	**$34,708,295**	**$22,080,000**

*M&MD estimates

Marketing/brand management:
Corp mktg dir, George Borst
Adv strategy & media mgr, Jan Olson
Adv mgr trucks, Don Cecconi
Agency: DFS Dorland/S. Calif. (Torrance)
Exec vp mgmt dir, Joe Cronin
Sr vp grp acct supr, Scott Gilbert
Acct supr, Jon Bucci
Acct execs: Cathy Moylan, Jim Floyd
Sr vp dir media ops, Richard Weigand
Sr vp media dir, Nora Lapham
Vp media dir, Katherine Galicich

58. CBS TV NETWORK

CBS/Broadcast Group

	Media investments	
	1986	1985
Magazines	$27,154,300	$29,894,000
Natl. Sun. mags.	1,021,100	818,000
Network tv	—	—
Spot tv	40,300	120,000
Network radio	556,800	888,000
Spot radio	3,238,390	379,694
Outdoor	—	20,000
Network cable	43,700	94,000
Newspapers*	2,604,471	2,643,000
Total	**$34,658,261**	**$34,856,694**

*M&MD estimates

Marketing/brand management:
CBS TV Network, CBS News, CBS Sports, CBS Broadcast International:
Vp adv, Douglas C. Clemenson
CBS Entertainment:
Acting vp-adv & prom, Jerry Goldberg
Parent: CBS Inc.
Agencies: DDB/Needham Worldwide, New York
Corporate media planning:
Sr vp-dir media plng & operations, Paul Zuckerman
Vp-dir newspaper/outdoor media buying, Jack Cohen
Media plnr, Molly Dweck
Jacobs & Gerber, Los Angeles
CBS News:
Vp-acct srvcs, Alison R. Harris
Ogilvy & Mather, Los Angeles
CBS Entertainment:
Sr vp-exec media dir, Ron Reilly
Vp-mgmt suprv, Susan Chittum
Vp-assoc media dir, Jeff Curtis
Asst media dir, Arlene Colbert

59. TV GUIDE CIRCULATION

TV Guide Magazine

	Media investments	
	1986	1985
Magazines	—	$ 14,000
Natl. Sun. mags.	—	—
Network tv	$2,336,600	1,535,000
Spot tv	24,006,400	24,389,000
Network radio	6,017,400	7,523,000
Spot radio	97,118	156,665
Outdoor	—	—
Network cable	947,300	1,678,000
Newspapers	823,988	1,369,000
Total	**$34,228,806**	**$36,664,665**

Marketing/brand management:
Pub, Eric Larson
Prom dir, Fred Jervis
Adv prom, Barry Pennell
Consumer prom, Jay Werner
Parent: Triangle Publications
Agency: NW Ayer, New York
Sr vp acct dir, Howard Stoner
Vp mgnt supr, George Malcomson
Sr vp grp media dir, David Lehmkuhl
Assoc media dir, Debbie-Lisa Brown
Media supr, Gay Macleod

60. DIET PEPSI SOFT DRINK

Pepsi-Cola, U.S.A.

	Media investments	
	1986	1985
Magazines	$ 526,600	$ 1,008,000
Natl. Sun. mags.	—	—
Network tv	6,294,200	9,147,000
Spot tv	24,566,200	21,269,000
Network radio	—	—
Spot radio	2,320,322	1,893,442
Outdoor	44,100	39,000
Network cable	95,400	81,000
Newspapers	375,677	73,000
Total	**$34,222,499**	**$33,510,442**

Marketing/brand management:
Pres, Roger Enrico
Sr vp crtv srvcs, Alan Pottasch
Vp mktg, Mike Lorelli
Adv mgr, Jeff Myers
Media dir, Rich Roch
Assoc media dir, Mary Ann Power
Parent: PepsiCo Inc.
Agency: BBDO, New York
Exec vp-sr mgmt rep, Gary DePaolo
Sr vp-mgmt supr, Bill Katz
Exec vp-dir media srvcs, Arnie Semsky
Sr vp-dir media plng srvcs, Mike Drake
Sr vp-dir net tv & prog, Steve Grubbs
Sr vp-assoc media dir, Ivan Becker
Vp-assoc network dir, Stu Schlossman
Media suprs: Rene Goldmuntz, May Ann Cunningham
Media plnr, Mike Giarraputo
Ethnic creative agency: Mingo-Jones, N.Y.
Sr vp-dir client srvcs, Samuel Chisolm
Acct exec, Eric Randolph

61. GALLO WINES

E & J Gallo Winery

	Media investments 1986	1985
Magazines	$ 4,700	$ 545,500
Natl. Sun. mags.	—	61,400
Network tv	32,045,400	13,079,600
Spot tv	1,559,100	101,200
Network radio	—	—
Spot radio	—	33,456
Outdoor	24,400	—
Network cable	110,600	—
Newspapers	240,805	323,729
Total	**$33,985,005**	**$14,144,885**

Marketing/brand management:
Vp-mktg, David Gallo
Vp-brand mgmt, Gerry Glascow
Sr brand mgrs, Doug Rogers, Jim Stanley
Vp-ad srvcs, Jack McBride
Vp-media dir, Sue McClelland
Agency: Hal Riney, San Francisco
Sr vp-grp dir, Sam Hershfield
Vp-acct supr, Marty Wenzell
Vp-media, David Verklin
Assoc media dir, Jeanette Gatto
Media plnr, Rick Boyce

62. HARDEE'S RESTAURANTS

Hardee's Food Systems, Inc.

	Media investments 1986	1985
Magazines	—	$ 15,000
Natl. Sun. mags.	—	—
Network tv	—	8,925,000
Spot tv	$29,445,600	23,288,000
Network radio	58,500	—
Spot radio	$2,740,012	2,263,709
Outdoor	1,617,300	1,365,000
Network cable	8,000	(No data)
Newspapers	(No data)	(No data)
Total	**$33,869,412**	**$35,856,709**

Marketing/brand management:
Exec vp-mktg, Gary L. Langstaff
Vp-field mktg, Dennis MacKee
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Dave Warden
Vp-assoc media dir, Alan Orlick
Asst media dir, Mike Pierce

63. AT&T CORPORATE

American Telephone & Telegraph Co.

	Media investments 1986	1985
Magazines	$ 10,542,600	$9,685,000
Natl. Sun. mags.	60,800	—
Network tv	11,986,000	22,490,000
Spot tv	2,178,700	2,132,000
Network radio	3,379,100	6,188,000
Spot radio	4,690,279	80,594
Outdoor	—	—
Network cable	264,700	411,000
Newspapers	281,272	1,313,000
Total	**$33,383,451**	**$42,299,594**

Marketing/brand management:
Adv & media director, R.W. Watson
Corp media mgr, J.D. Speros
Corp broadcast mgr, D.K. Ritter
Div mgr, R.Z. Manna
District mgrs: J. R. Byrne, L. Urben, A. M. Winters, D. Robertson
Staff mgr, J. Finore
Agencies: NW Ayer, New York
Sr vp-exec acct dir, R. Wooden
Sr vp-mgmt supr, F. McClafferty
Ogilvy & Mather, New York (Intl.)
Sr vp-grp dir, G.K. O'Dea
Sr vp, mgmt supr, C. Round
Acct supr, J. Blocklin
Minority/college recruitment agency: Uniworld, New York
Sr vp-gen mgr, H. Morales
Vp-acct supr, L. Dukette

64. COORS LIGHT BEER

Adolph Coors Co.

	Media investments 1986	1985
Magazines	—	$ 25,000
Natl. Sun. mags.	—	—
Network tv	19,119,500	5,574,000
Spot tv	10,498,300	12,547,000
Network radio	—	—
Spot radio	2,300,724	2,437,980
Outdoor	309,500	233,000
Network cable	673,900	764,000
Newspapers	193,381	57,000
Total	**$33,095,305**	**$21,637,980**

How do you get 70% coverage of a major market with one medium?

Ask Leonard Zane at (614) 461-5183 about

COLUMBUS, OHIO

This affluent market has an effective buying income that exceeds $15 billion. And *The Columbus Dispatch* on Sunday reaches nearly three-quarters (72%) of the 952,300 adult population. Plus a better than most 52% daily.

The Columbus Dispatch
Morning & Sunday

Represented Nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.

Source: ©1986 S&MM Survey of Buying Power, [illegible]

Marketing/brand management:
Exec vp sls & mktg, Robert A. Recholtz
Vp mktg, Rob Klugman
Brand dir, Bob Fox
Brand mgr, June Smith
Vp mktg devel, Gary Truitt
Agency: Foote, Cone & Belding, Chicago
Sr vp-grp acct dir, Bill Melzer
Vp-acct dirs: Jim Gregga, Randy Windschit, Dave Haan
Acct dirs: Jim Mitchel, Larry McIntosh, Dave Sollitt, Ed Moser, Pam Crowson-Brash
Acct execs: Tim O'Connor, Will Hodgman, John Malkin, Gil Duff, Kevin O'Rourke
Sr vp media, Fred Wray
Vp-grp media dir, Kent Vlautin
Media suprs: Mary Salmich, Steve Vye, Mary Hanley, Judith Salas
Hispanic markets agency: GSD&M, Austin, TX
Chmn, Steve Gurasich
Sr vp, Chuck Grady
Dir Hispanic srvcs, Raoul Rodriguez
Corp & pub affrs dir, Hank Olguin
Vp-assoc media dir, Tina Williamson

65. MICHELOB LIGHT BEER

Anheuser-Busch, Inc.

	Media investments	
	1986	1985
Magazines	$ 2,663,300	$ 2,097,000
Natl. Sun. mags.	—	—
Network tv	18,223,500	14,392,000
Spot tv	7,518,700	6,775,000
Network radio	705,300	136,000
Spot radio	949,612	1,616,024
Outdoor	190,500	73,000
Network cable	2,646,600	1,500,000
Newspapers	45,079	5,000
Total	**$32,942,591**	**$26,594,024**

Marketing/brand management:
Exec vp dir mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp mktg mgr, Robert Goughenour
Sr prod mgr, Jack Hanzolic
Agency: DDB/Needham Worldwide, Chicago
Acct supr, Senn Moses
Sr vp-mgmt rep, Don Richards
Acct exec, Tony Sciolla
Asst acct exec, Beth Kennedy
Dir acct mngt, Gene Yovatich
Vp assoc media dir, Geoffrey McClelland
Media supr, Michael Murphy
Media plnrs: Kristine King, Mark Sneider
Hispanic Agency: Castor Spanish International Inc.

66. HONDA CIVIC

American Honda Motor Co.

	Media investments	
	1986	1985
Magazines	$ 5,638,400	$ 2,979,000
Natl. Sun. mags.	30,400	—
Network tv	19,026,000	7,903,700
Spot tv	4,563,800	472,000
Network radio	1,239,500	1,060,900
Spot radio*	910,334	626,589
Outdoor	300	—
Network cable	1,202,600	867,400
Newspapers*	329,292	221,651
Total	**$32,940,626**	**$14,131,240**

*M&MD estimates

Marketing/brand management:
Sr vp auto fld sls, Jack Billmyer
Sr vp auto sls oper, Tom Elliott
Mgr auto adv, Eric Conn
Asst mgr-auto adv, Mike Dillon
Exec vp, K. Amemiya
Agency: Rubin Postaer & Associates, LA
Sr vp-grp acct dir, William C. Hagelstein
Vp-acct dir, Chuck Valentine
Vp-acct suprs: Julie Boston, Joan Egan
Acct supr, Ron MacMillan
Vp-assoc media dir, Stanley Botello

67. VANTAGE KING CIGARETTES

R.J. Reynolds Tobacco Co.

	Media investments	
	1986	1985
Magazines	$14,530,200	$18,218,000
Natl. Sun. mags.	3,708,500	2,770,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	11,777,600	$7,634,000
Network cable	—	—
Newspapers	2,613,383	5,315,000
Total	**$32,629,683**	**$33,937,000**

Marketing/brand management:
Sr vp brand mktg, J. T. Winebrenner
Mktg dir, R. M. Sanders
Sr brand mgr, A.T. Sterling
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco Inc.
Creative agency: FCB/Leber Katz Partners, N.Y.
Exec vp-grp mgmt dir, Robert Hirsch
Vp-mgmt dir, Angelika Adler
Acct dir, Robin Palazzo
Acct exec, Dan Howald

68. NORTHWEST AIRLINES

(Includes Northwest Airlines & Northwest Orient. Republic Airlines not included)

	Media investments	
	1986	1985
Magazines	$ 8,219,300	$ 3,205,700
Natl. Sun. mags.	144,400	54,600
Network tv	938,300	—
Spot tv	3,313,200	1,001,200
Network radio	587,000	—
Spot radio	2,290,008	3,884,018
Outdoor	832,400	381,100
Network cable	115,500	—
Newspapers	16,100,597	16,773,419
Total	**$32,540,705**	**$25,300,037**

Marketing/brand management:
Vp adv, Bryan G. Moon
Mgr mktg comm, Judith Mitchells
Agency: DFS Dorland Worldwide, N.Y.
Exec vp mgmt supr, Michael Keeshan

69. CHEVROLET DEALERS ASSOCIATION FRANCHISE

	Media investments	
	1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$27,382,900	$26,149,000
Network radio	—	—
Spot radio	$1,171,037	$ 772,043
Outdoor	3,700	175,000
Network cable	—	—
Newspapers	2,961,863	3,694,000
Total	**$31,519,500**	**$30,790,043**

(continued)

Marketing/brand management:
Chevrolet Div., General Motors:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman
Mktg mgrs: Ed K. Roggenkamp III (fld), Thomas R. Mason (passenger cars), John M. Kelley (trucks)
Mgrs adv: Danielle K. Colliver (passenger cars), Thomas P. Cutler (trucks)
Asst mgr fld mktg, J. D. Tidwell, Jr.
Parent: General Motors Corp.
Dealers Association
Agencies: Various
Chosen by 157 dealer associations.

70. SLICE REGULAR SOFT DRINK

PepsiCo Inc.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	27,525,200	12,392,500
Network radio	—	—
Spot radio	1,881,282	941,110
Outdoor	151,700	346,900
Network cable	27,300	—
Newspapers	1,715,264	560,964
Total	**$31,300,746**	**$14,241,474**

Marketing/brand management:
Pres, Roger Enrico
Sr vp crtv svces, Alan Pottasch
Vp mktg, Mike Lorelli
Adv mgr, Jeff Myers
Media dir, Rick Rock
Assoc media dir, Mary Ann Power
Agency: J. Walter Thompson, New York
Sr vp grp dir, Jerry Gottlieb
Vp acct dir, Jeremy Birkbeck
Vp acct supr, Kendall Crolius
Acct exec, Michelle Ganon
Exec vp U.S. dir media svces, Richard Kostyra
Sr vp dir media plng, John Gray
Vp assoc media dir, Ronnie Beason
Media supr, Karen Bress
Media plnrs: Tom Annear, Glen Caruso

71. BARTLES & JAYMES WINE COOLER

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$26,582,600	13,304,000
Spot tv	3,759,600	3,883,000
Network radio	—	—
Spot radio	721,522	25,740
Outdoor	—	—
Network cable	27,200	—
Newspapers	82,476	—
Total	**$31,173,398**	**17,212,740**

Marketing/brand management:
Vp mktg, David Gallo
Vp brand mgmt, Gerry Glasgow
Sr brand mgr, Craig Battisfore
Media dir, Sue McClelland
Dir corp comm, Dan Solomon
Parent: E. & J. Gallo Winery
Agency: Hal Riney, San Francisco
Sr vp-grp dir, Sam Hershfield
Vp acct supr, Marty Wenzell
Vp-media dir, David Verklin
Assoc media dir, Jeanette Gatto
Media plnr, Rick Boyce
Vp-ad srvcs, Jack McBride

72. GENERAL MOTORS CORPORATE

General Motors Corp.

	Media investments 1986	1985
Magazines	$ 9,956,400	$ 1,933,000
Natl. Sun. mags.	416,100	—
Network tv	12,931,300	11,360,000
Spot tv	2,670,200	4,479,000
Network radio	4,139,700	706,000
Spot radio	144,176	97,019
Outdoor	8,600	—
Network cable	189,100	276,000
Newspapers	279,808	3,150,000
Total	**$30,735,384**	**$22,001,019**

Marketing/brand management:
Vp mktg & prod plng, J.G. Middlebrook
Exec dir adv srvcs, P. Guarascio
Gen dir, media operations, M.A. Browner
Dir adv, D. J. Teasdale
Asst adv mgr, D. P. Bolen
Adv supr, M. G. Wright
Vp pub rel, J. W. McNulty
Dir pub affairs adv, G. H. Pruette
Sr staff asst (pub affairs), R. Thomas Beaman
Mgr crtv srvcs (pub affairs), H. Wells
Agencies: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.
Exec vp-mgmt supr, T. T. Teegarden
Vp-acct supr, W. A. Mara
Vp rtl comm, A. R. Harrington
Sr vp-media dir, G. M. Rogers
Vp-grp media dir, E. M. Coosia
NW Ayer, Detroit
Public affairs:
Sr vp-mging dir, Robert Kingsbury
Sr vp-mgmt supr, Richard Prince
Vp-media dir, Randall Schroeder
Assoc media dir, Rick Doyle
Minority marketing agency: Mingo-Jones, N.Y.
Acct supr, S.J. Chisholm
Media dir, Ray Brown

Eleven domestic beers are in the 1986 Top 200.

73. PEOPLE EXPRESS AIR SERVICE

Texas Air Corp.

	Media investments 1986	1985
Magazines	$ 1,678,700	$ 2,736,700
Natl. Sun. mags.	—	128,600
Network tv	—	—
Spot tv	1,167,700	2,165,200
Network radio	—	—
Spot radio	16,377,109	2,342,707
Outdoor	1,249,400	1,589,000
Network cable	—	—
Newspapers	9,918,613	26,012,494
Total	**$30,391,522**	**$34,974,701**

Marketing/brand management:
(People Express Airlines has merged with Airlines Corp.)
(Continental)
Chm CEO, Frank Lorenzo
Vice chm, Howard Swanson
Vp pub rels, W. J. Moran
Agency: Scali, McCabe, Sloves
(For Continental)
Mgmt supr, Mark Messing
Acct supr, Suzanne Secor

74. DURACELL BATTERIES

Duracell, Inc.

	Media investments 1986	Media investments 1985
Magazines	$ 1,899,200	$ 4,004,000
Natl. Sun. mags.	294,900	—
Network tv	23,764,900	16,493,000
Spot tv	1,719,700	1,332,000
Network radio	1,799,900	—
Spot radio	—	110,769
Outdoor	400	—
Network cable	52,500	166,000
Newspapers	497,905	30,000
Total	**$30,029,405**	**$22,135,769**

Marketing/brand management:
Vp mktg, Charles Kiernan
Cons grp prod mgr, Kevin Kelley
Sr prod mgr, Robert Giacolone
Specialty grp prod mgr, Mark Lucas
Parent: Kraft Inc.
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Jack Reed
Vp-mgmt supr, Philippe Defechereux
Vp-acct supr, Kathy Moriarity
Vp-assoc media dir, Mark Rice
Asst media dir, Lisa Gallant

75. MERCURY SABLE

Lincoln-Mercury Division of Ford Motor Co.

	Media investments 1986	Media investments 1985
Magazines	$ 5,958,700	$ 1,370,700
Natl. Sun. mags.	211,700	731,000
Network tv	16,293,200	$5,403,900
Spot tv	1,697,000	453,800
Network radio	4,639,400	—
Spot radio	51,716	—
Outdoor	54,000	4,800
Network cable	550,800	84,300
Newspapers	248,161	1,279,180
Total	**$29,704,677**	**$9,327,680**

Marketing/brand management:
Vp gm, Tom Wagner
Mktg mgr, Edsel Ford
Adv mgr, Sheldon Wardwell
Agency: Young & Rubicam, Detroit
Sr vp grp dir, Chuck Riley
Vp mgmt supr, Tim Hart
Sr vp media, Ken Pool
Grp media supr, Marge Forbes

76. IBM CORPORATE

International Business Machines Corp.

	Media investments 1986	Media investments 1985
Magazines	$ 6,827,600	$ 6,083,000
Natl. Sun. mags.	508,500	498,000
Network tv	18,743,600	17,384,000
Spot tv	1,292,700	682,000
Network radio	249,400	—
Spot radio	1,674,136	—
Outdoor	—	—
Network cable	323,600	124,000
Newspapers	67,077	314,000
Total	**$29,686,613**	**$25,085,000**

Marketing/brand management:
Dir adv & prom, J. C. Daily
Dir adv oper, J. F. King
Dir adv pgms, W. P. Barton
Mgr tv adv & prom, M. C. Gury
Mgr print adv, R. W. W. Baker
Agency: Lord, Geller, Federico, Einstein, N.Y.
Sr vp-acct dir, Bill Wardell

77. LONG JOHN SILVER'S RESTAURANTS

Jerrico, Inc.

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 2,491,500	—
Spot tv	26,577,300	$ 26,304,000
Network radio	—	—
Spot radio	182,634	364,846
Outdoor	240,500	278,000
Network cable	139,400	—
Newspapers	(No data)	(No data)
Total	**$29,631,334**	**$26,946,846**

Marketing/brand management:
Exec vp & chf mktg officer, Thomas Gruber
Exec vp mktg, Anthony M. Lavely
Vp prod mktg, Donald A. Metznik
Prod mktg dirs: Mike Kupstas, Larry Smith
Vp fld mktg, Lee F. Hardy
Agencies: Abbott Advertising, Lexington, Ky.
(in-house)
Vp gen mgr, David M. Miller

78. BUSCH BEER

Anheuser-Busch, Inc.

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$15,145,600	$15,658,000
Spot tv	10,016,500	5,729,000
Network radio	—	—
Spot radio	1,933,136	1,296,206
Outdoor	1,504,300	1,035,000
Network cable	661,300	13,000
Newspapers	303,690	237,000
Total	**$29,564,526**	**$23,968,206**

Marketing/brand management:
Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp brand dir, Bob Merz
Sr brand mgr, Mike Owens
Prod mgr, Mike LaBroad
Agency: DDB/Needham Worldwide, Chicago
Mgmt rep, John Greening
Acct supr, Bob Lachky
Acct exec, Michael Holsinger
Asst acct exec, Diana Fiedotin

79. ZALE'S JEWELRY

Zale Corp.

	Media investments 1986	Media investments 1985
Magazines	$ 1,549,800	$ 601,000
Natl. Sun. mags.	135,200	17,000
Network tv	17,217,300	8,853,000
Spot tv	3,296,600	3,860,000
Network radio	5,783,100	3,913,000
Spot radio	1,058,862	4,813,356
Outdoor	—	—
Network cable	236,000	90,000
Newspapers	(No data)	(No data)
Total	**$29,276,862**	**$22,147,356**

Marketing/brand management:
Sr vp mktg & adv Patti Rakolta
Adv dir, Becky Higgins
Adv mgrs: Lisa Parets, Katie Hallet
Agency: The Bloom Agency, Dallas
Sr vp mgmt supr, Sherri Babcock
Acct supr, Betty Tapella
Acct exec, Mary Kay Riordon
Vp media, Dave Tracy
Grp media dir, Deb Gugel

80. MASTERCARD CREDIT CARD SERVICES

Mastercard International

(Not including regional tv and ads solely for Gold card, international services and travelers checks)

	Media investments 1986	1985
Magazines	$ 1,170,300	$ 179,000
Natl. Sun. mags.	33,500	—
Network tv	21,508,600	16,346,000
Spot tv	3,626,400	2,902,000
Network radio	2,080,400	—
Spot radio*	172,676	51,423
Outdoor	—	—
Network cable	607,100	398,000
Newspapers	(No data)	(No data)
Total	**$29,198,976**	**$19,876,423**

*M&MD estimates

Marketing/brand management:
Sr vp card & trvl prod, F. Alan Schultheis
Sr vp mktg srvcs, Joanne Black
Vp adv, Susan Burke
Agency: SSC&B: Lintas Worldwide
Exec vp & chair of strategy review brd, F. Stone Roberts
Sr vp-dir grp media oper, Loretta Volpe
Mgmt supr, Nancy Korda

81. KODAK FILM

Eastman Kodak Co.

	Media investments 1986	1985
Magazines	$ 5,382,300	$ 3,886,000
Natl. Sun. mags.	316,700	—
Network tv	18,217,500	15,373,000
Spot tv	2,317,800	5,298,000
Network radio	—	806,000
Spot radio*	464,849	1,253,313
Outdoor	824,400	508,000
Network cable	838,100	1,196,000
Newspapers	814,774	493,000
Total	**$29,176,423**	**$28,813,313**

*M&MD estimates

Marketing/brand management:
Vp gm (consumer prod div), Peter Palermo
Vp gm mktg (consumer prod div), Jack Powers
Dir mktg comm svces, Richard S. Bartlett
Dir worldwide mktg comm, George Conte
Dir mktg comm & support svces, Bruce Wilson
Mktg comm dir (film prod), Carole Hancock

Agency: J. Walter Thompson, N.Y.
Sr vp worldwide mngt dir, Jerry Gottlieb
Vp acct dir, Mitchell Brooks
Sr acct supr (intl), Ernie Emerling
Acct supr, Rich O'Leary
Acct execs: Jeff Bodenmann, Susan Moonitz
Acct coordinator, Anna DeRusha
Exec vp, U.S. dir media, Richard Kostyra
Sr vp dir media plng, John Gray
Sr vp dir ntwk neg, John Sisk
Vp assoc media dirs: Emily Swartzentruber (plng), Gwyn Kaufman (neg)
Media supr, Vicky Roschen
Mgr b-to-b media, Bert Peller

82. FORD PASSENGER CARS (multi-product ads)

Ford Motor Co.

	Media investments 1986	1985
Magazines	$ 1,283,700	$ 648,000
Natl. Sun. mags.	—	—
Network tv	11,086,200	9,479,000
Spot tv	9,538,900	5,252,000
Network radio	—	1,000
Spot radio	434,241	157,773
Outdoor	372,600	535,000
Network cable	239,100	89,000
Newspapers	5,653,817	2,927,000
Total	**$28,608,558**	**$19,088,773**

Marketing/brand management:
Ford Division:
Vp-gm, R.L. Rewey
Gen mktg mgr, R.H. Roberts
Adv mgr, John Vanderzee
Car ad mgr, R. J. Gillooly
Dealer ad mgr, H.S. Wilson

Agency: J. Walter Thompson, Detroit
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Chuck Balestrino
Sr vp-creat dir, Richard Howting
Sr vp-dir mktg srvcs, Robert Gamble
Sr vp-bdcst supr, Ron Fredrick
Sr vp-media dir, Thomas E. Healey
Vp-car & truck grp media dir, Paul Hunt
Hispanic market agency: Hispania/ JWT, New York
Sr vp-gm, Alfredo Jarrin
Acct supr, Andrea Doren
Media dir, Carlos Cintron
Acct exec, Ivan Pichardo
Black agency: Burrell Advertising
Vp-mgmt supr, Don Coleman
Acct exec, Esther Terrell
Vp-media dir, Nick Howse
Assoc media dir, Zeline Kelly
Media plnr, Mary Johnny

Four wine coolers made the Top 200, but only one wine marketer outside of the cooler case made the list: Gallo.

83. PAN AM WORLD AIRWAYS

	Media investments 1986	1985
Magazines	$ 3,230,700	$ 3,643,200
Natl. Sun. mags.	453,100	174,100
Network tv	16,000	—
Spot tv	3,510,100	4,514,100
Network radio	—	—
Spot radio	1,941,454	2,728,738
Outdoor	918,000	1,695,800
Network cable	302,200	212,200
Newspapers	18,217,679	20,872,348
Total	**$28,589,233**	**$33,840,486**

Marketing/brand management:
Sr vp mktg, John Krimsky
Sr vp pass svce, Donald Parker
System adv dir, John Bloodworth
US adv dir, Robert Morris
Agency: Wells, Rich, Greene, Inc., N.Y.
Exec vp, Andre van Strom
Mgmt supr, Eileen McKenna
Acct suprs: L. Farrand, B. Lazetera, M. Antonetti, C. Holmes J. Carlson, N. Roslin, A. DeFranco, J. DeFeo

84. FORD ESCORT CAR

Ford Motor Co.

	Media investments 1986	1985
Magazines	$ 6,900,200	$ 8,370,000
Natl. Sun. mags.	—	—
Network tv	17,461,300	17,603,000
Spot tv	3,011,200	3,079,000
Network radio	—	—
Spot radio	67,501	—
Outdoor	324,100	102,000
Network cable	461,500	433,000
Newspapers	67,962	824,000
Total	**$28,313,763**	**$30,411,000**

Marketing/brand management:
Ford Division:
Vp-gm, R.L. Rewey
Gen mktg mgr, Ross Roberts
Adv mgr: John Vanderzee
Car ad mgr, R.J. Gillooly
Dealer ad mgr, H.S. Wilson
Agency: JWT, Detroit, MI
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Chuck Balestrino
Sr vp-creat dir, Richard Howting
Sr vp-dir mktg srvcs, Robert Gamble
Sr vp-brdcst neg, Ron Fredrick
Sr vp-media dir, Thomas E. Healey
Vp- car & truck grp media dir, Paul Hunt
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Alfredo Jarrin
Acct supr, Andrea Doren
Media dir, Carlos Cintron
Acct exec, Ivan Pichardo
Black agency: Burrell Advertising
Vp-mgmt supr, Don Coleman
Acct exec, Esther Terrell
Vp-media dir, Nick Howse
Assoc media dir, Zeline Kelly
Media plnr, Mary Johnny

Where there's no smoke . . . only one cigarette made the top 50 brands: Yves St. Laurent 100's.

85. TIDE POWDER DETERGENT

The Procter & Gamble Co.

	Media investments 1986	1985
Magazines	$ 3,039,400	$ 2,761,000
Natl. Sun. mags.	—	—
Network tv	13,376,300	9,886,000
Spot tv	11,189,600	9,912,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	26,000
Network cable	353,600	590,000
Newspapers	217,753	272,000
Total	**$28,176,653**	**$23,447,000**

Marketing/brand management:
Vp div mgr, B. L. Byrnes (packaged soaps & detergents)
Agency: Saatchi & Saatchi, N.Y.
Exec vp-mgmt dir, Paula Forman
Mgmt supr, Jeffrey Zeiler
Acct supr, John Geoghegan
Acct exec, Paul Guagliardo
Asst acct exec, Bonnie Hutchinson
Sr vp-U.S. media dir, Carol Karasick

86. PENNEY'S MISCELLANEOUS BRANDS

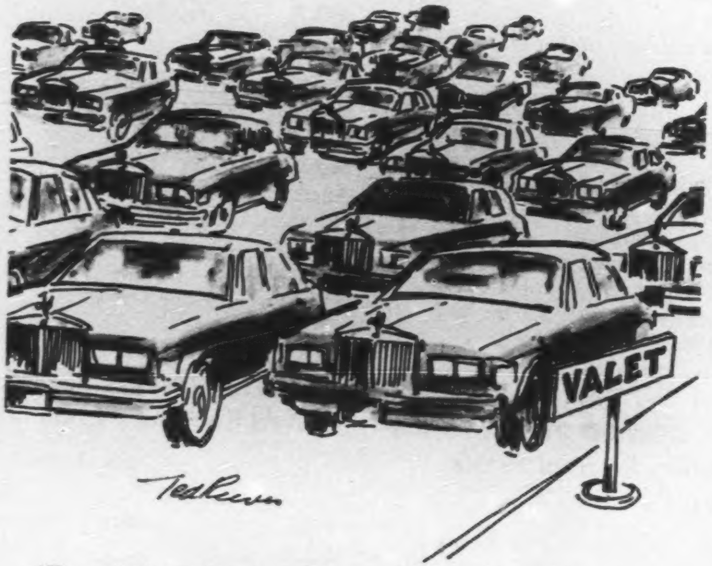
(multi-product ads not fitting into other LNA categories)

J.C. Penney Co.

	Media investments 1986	1985
Magazines	$ 479,500	$ 97,000
Natl. Sun. mags.	69,700	9,000
Network tv	22,523,500	19,614,000
Spot tv	2,849,600	4,498,000
Network radio	—	—
Spot radio*	874,911	—
Outdoor	17,000	91,000
Network cable	777,100	155,000
Newspapers	(No data)	(No data)
Total	**$27,591,311**	**$24,464,000**

*M&MD estimates

Marketing/brand management:
Vp-dir corp mktg, J. Wells



"Dear, I thought you said we'd stand out from the crowd when we bought this car."

The nation's largest Rolls Royce dealership is located in Orange County and The Orange County Register carries more full-run automotive advertising than any other Southern California newspaper. (Media Records, 1986)

THE ORANGE COUNTY Register METROGROUP

The leading medium in Southern California's richest market. Represented by CWO&O

Mgr mktg comm, William McCarthy
Mgr media srvcs, James F. Boynton
Natl media plnr, Dave Wood
Adv mgr, Edward Hayward
Catalog Division:
Sr vp-dir, Rod Birkins
Dir cat mdsg, Julius Debbs
Mgr cat mktg, Bill Nolta
Dir cat adv & pubs, William Kelly
Agency: NW Ayer, New York
Retail:
Sr vp-mgmt supr, Andrew Anderegg
Vp-acct supr, Meryl Nierman
Sr vp-grp media dir, A. Brivic
Vp-assoc media dir, Sue Kaufman

87. SNICKERS CANDY BAR

Mars Inc.

	Media investments	
	1986	1985
Magazines	$ 1,971,700	$ 1,655,000
Natl. Sun. mags.	—	—
Network tv	15,312,600	14,319,000
Spot tv	5,531,300	6,365,000
Network radio	1,574,700	1,909,000
Spot radio	—	283,556
Outdoor	—	—
Network cable	3,157,400	1,492,000
Newspapers*	19,190	39,000
Total	**$27,566,890**	**$26,062,556**

*M&MD estimates

Marketing/brand management:
Pres, Howard Walker
Sr vp, J. Langdon
Agency: Ted Bates, N.Y.
Sr vp-mgmt rep, Pam Marcus
Vp-acct supr, Janet Stanton
Acct exec, Johann Becker
Sr vp-media dir, Barry Kaplan

88. CENTURY 21 REAL ESTATE

Century 21 Real Estate Corp.

	Media investments	
	1986	1985
Magazines	$ 381,600	$ 750,000
Natl. Sun. mags.	—	—
Network tv	21,557,400	17,892,000
Spot tv	3,568,700	2,058,000
Network radio	—	—
Spot radio	1,893,451	1,822,026
Outdoor	63,500	27,000
Network cable	300	—
Newspapers	—	—
Total	**$27,464,951**	**$22,549,026**

Marketing/brand management:
Sr vp-mktg & adv, Bruce Oseland
Brand mgr, Marty Barrett
Parent: Metropolitan Life Insurance Co.
Agency: McCann-Erickson, L.A.
Sr vp-mgmt rep, Jim Dorsey
Reg vp-acct dir, Joe Van Sickle
Reg acct supr, Sherri Sprecher
Natl vp-acct dir, Bob Sutter
Natl acct supr, Colin Schleining
Media supr, Tom O'Brien

89. HYUNDAI EXCEL

Hyundai Group

	Media investments	
	1986	1985
Magazines	$ 4,736,300	—
Natl. Sun. mags.	—	—
Network tv	4,003,500	—
Spot tv	17,913,600	—
Network radio	—	—
Spot radio*	27,612	—
Outdoor	17,200	—
Network cable	—	—
Newspapers*	665,185	—
Total	**$27,363,397**	—

*M&MD estimates

Marketing/brand management:
Dir mktg, Jack Collins
Natl adv mgr, Joe Corey
Media dir assoc mgr, Tom Meyers
Agency: Backer & Spielvogel
Vp-acct dirs: Howard Sherman, Peter Smaha
Media dir, Kevin Coyne
Sr acct exec, Paula Dyba

90. TYLENOL EXTRA STRENGTH CAPLETS

McNeil Consumer Products

	Media investments	
	1986	1985
Magazines	1,953,900	1,625,100
Natl. Sun. mags.	—	94,500
Network tv	$23,293,400	$4,883,600
Spot tv	774,300	268,300
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	1,090,000	175,400
Newspapers*	27,267	—
Total	**$27,138,867**	**$7,046,900**

Marketing/brand management:
Exec vp gm, Chandler D. Simonds
Dir prod mgmt, Jim T. Lenehan
Group prod dir, Brian D. Perkins
Prod dir, Tony A. Vernon
Asst prod dirs: R. L. Fugate, D. M. Casey, E.F. Schnitzler
Parent: Johnson & Johnson
Agency: Saatchi & Saatchi Compton Inc., N.Y.
Exec vp-grp dir, Thomas Lom
Vp-mgmt supr, Patrick Furey
Acct exec, Ellen Rothschild
Asst acct execs: Mike Johnson, Stanley Yorker
Exec vp-grp media dir, Carol Karasick
Assoc media dir, Charlie Greenberg
Asst media plnr, Abigail Fisher
Hispanic agency: Mendoza, Dillon & Associados, Inc. CA
Vp acct svces, Robert L. Howells

The Top 200 index is on page 50.

91. DE BEERS DIAMONDS

De Beers Con. Mines

	Media investments	
	1986	1985
Magazines	$16,842,500	$13,928,000
Natl. Sun. mags.	41,900	69,000
Network tv	9,686,600	9,579,000
Spot tv	486,600	460,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	15,700	32,000
Newspapers	—	—
Total	**$27,073,300**	**$24,068,000**

Marketing/brand management:
Dir, consumer adv div, Jeremy Pudney
Reg mgr-Americas, Peter Maddick
Mkt cntlrs, Stephen Lussier, Steven Swift
Agency: NW Ayer, New York
Exec vp-exec acct dir, George H. Eversman
Sr vp-mgmt supr, Judy Laughren
Acct supr, Marc Capra
Vp-grp media dir, David Lehmkuhl
Assoc media dir, Jean Connolly
Media supr, Hugh Meenan

92. M&M'S CANDIES

Mars Inc.

	Media investments 1986	1985
Magazines	$ 1,417,200	—
Natl. Sun. mags.	—	—
Network tv	13,804,100	$ 17,368,000
Spot radio*	12,012	449
Spot tv	6,109,900	2,399,000
Network radio	1,923,400	867,000
Outdoor	23,000	—
Cable network	3,486,700	3,252,000
Newspapers*	18,645	37,000
Total	**$26,794,957**	**$23,923,449**

*M&MD estimates

Marketing/brand management:
Pres, Howard Walker
Sr vp mktg & sls, J. Langdon
Agency: Ted Bates, N.Y.
Sr vp-mgmt rep, Alice Uniman
Sr vp-media dir, Barry Kaplan
Acct supr, George Ford
Acct exec, Isabel Albanese

93. CHEVROLET NOVA

Chevrolet Motors Division

	Media investments 1986	1985
Magazines	$ 2,691,300	$1,066,200
Natl. Sun. mags.	2,047,800	—
Network tv	11,594,900	2,747,800
Spot tv	6,408,900	4,885,700
Network radio	814,500	111,800
Spot radio	—	—
Outdoor	380,900	384,100
Network cable	279,000	36,500
Newspapers	2,279,829	816,435
Total	**$26,497,129**	**$10,048,535**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starren mktg mgr, Thomas A. Staudt
Fld mktg mgr, Edd K. Roggenkamp III
Asst gen sls mgr, Michael H. Erdman
Mktg mgr-passenger cars, Thomas R. Mason
Mgr passenger cars adv, Dannielle K. Colliver
Parent: General Motors Corp.
Agency: Campbell-Ewald, Detroit
Exec vp-client srvc dir, Robert H. Schirmer
Grp sr vp-grp mgmt suprs: Donald D. Williams (cars), Anthony J. Hopp (area mktg)
Sr vp-acct suprs: James F. Else, Milton J. Sandling Jr.
Vp-acct supr, Michael J. Ryan
Exec vp-media dir, Louis M. Schultz
Sr vp-assoc media dirs: James T. Birchfield (natl); Ronald D. Geskey (area mktg)
Sr vp-mgr, Karen Ritchie
Sr vp-dir natl brdcst media, Judith E. Sawyer
Sr vp-mgr lcl mkt media, Robert I. Mitchell II
Vp-media suprs (area mktg): Ellis J. Veech, John A. Winkelseth

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CANDY

Life can be so sweet when you're reaching the right audience. And for candy advertisers, both Simmons* and MRI* say Woman's World's women readers have a bigger sweet tooth han the Seven Sisters. We also have the greatest percent composition of ice cream, jam and jelly, and powdered soft drink users. For more delicious numbers, call us at 212-953-3344.

*1986 SMRB, Fall 1986 MRI

Woman's World THE WOMAN'S WEEKLY

Unique every week

94. BUICK DEALERS ASSOCIATION FRANCHISE

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$20,187,000	$17,649,000
Network radio	74,500	2,000
Spot radio	1,111,151	1,233,359
Outdoor	34,500	462,000
Network cable	—	—
Newspapers	4,997,802	4,955,000
Total	**$26,404,953**	**$24,301,359**

Marketing/brand management:
Buick Motor Div., General Motors:
Vp-gm, E.H. Mertz
Gen sls & srvc mgr, W. J. Atkinson
Gen mkt mgr, D.E. Clark
Dir adv, J.W. Qualman
Parent: General Motors Corp. Dealers Association
Agency: McCann-Erickson, Detroit
Exec vp, Gerald C. Atkin
Sr vp-mgmt rep supr, Jan Starr
Vp-grp acct suprs: Richard Hill, Glynn Armitage
Sr vp-media dir, W. Brien Schweikart

95. FEDERAL EXPRESS AIR CARGO

Federal Express Corp.

	Media investments 1986	1985
Magazines	$ 2,978,000	$ 1,907,000
Natl. Sun. mags.	—	—
Network tv	13,678,700	16,605,000
Spot tv	8,842,700	6,428,000
Network radio	—	—
Spot radio	130,533	—
Outdoor	—	—
Network cable	283,800	173,000
Newspapers	331,601	3,258,000
Total	**$26,245,334**	**$28,371,000**

Marketing/brand management:
Sr vp-mktg, Carole A. Presley
Vp-Express mktg, T. Michael Glenn
Mging dir-srvc mktg, Gayle M. Christensen
Mging dir (Express products marketing), Richard M. Metzler
Corp adv mgr, Nancy L. Altenburg
Vp-interntl mktg, David Shoenfeld
Agency: Fallon McElligott, Minneapolis
Chmn, Pat Fallon
Pres, Steve Sjoblad
Acct mgr, Joe Culligan
Media dir, Jim Sandstrom
Media plnr, Pam Krause
Acct execs: Ann Nerland, Mike Buchner
Asst acct exec, Shelly Sippl
Asst media plnr, Susan Erickson
Mktg dir, Bill Donnelly

96. POLAROID SPECTRA SYSTEM

Polaroid Corp.
(Includes cameras & film)

	Media investments 1986	1985
Magazines	$ 5,556,200	—
Natl. Sun. mags.	60,900	—
Network tv	18,439,400	—
Spot tv	305,600	—
Network radio	—	—
Spot radio	180,933	—
Outdoor	18,000	—
Network cable	5,400	—
Newspapers*	1,603,659	—
Total	**$26,170,092**	—

*M&MD estimates

Marketing/brand management:
Dir N Amer adv, Gary Moss
Grp vp worldwide mktg, Joseph McLaughlin
Grp vp consumer photo, William O'Neill
Sr adv mgr, Grant Schneider
Adv mgr, Diane Coron
Vp N Amer mktg opers, Peter K. Eichorn
Div vp sls, Brian O'Connor
Agency: BBDO, New York
Exec vp sr mgmt dir, Gary De Paulo
Sr vp mgmt supr, Lonny Strum
Vp acct supr, Paul Jacobson
Acct exec, Liz Kelly
Exec vp media svces, Arnie Semsky
Sr vp media plng, Mike Drake
Sr vp natl tv buying, Steve Grubbs
Vp assoc media dir, Michael Bienstock
Vp media supr, John Barry
Media plnr, Elisa Romm

97. NOW FILTER 100's CIGARETTES

R.J. Reynolds Tobacco Co.

	Media investments 1986	1985
Magazines	$13,574,100	$13,642,000
Natl. Sun. mags.	5,182,900	4,066,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	118,000	—
Network cable	—	—
Newspapers	7,199,193	9,453,000
Total	**$26,074,193**	**$27,161,000**

Marketing/brand management:
Sr vp mktg, J. T. Winebrenner
Mktg dir, D. N. Iauco
Brand mgr, G. C. Pennell
Dir mktg srvcs, C. T. Baroody
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco Inc.
Creative agency: Young & Rubicam, N.Y.
Sr vp grp dir, Jane Brite
Sr vp mgt supr, Mike Feldman
Vp acct supr, Mitchel Hershey
Acct exec, Randi Ireland

98. SPRITE SOFT DRINK

Coca-Cola Co.

	Media investments 1986	1985
Magazines	$ 113,400	$ 551,000
Natl. Sun. mags.	—	—
Network tv	15,484,300	12,160,000
Spot tv	8,404,800	8,887,000
Network radio	—	—
Spot radio	1,088,200	1,021,364
Outdoor	29,700	126,000
Network cable	459,300	303,000
Newspapers	128,722	217,000
Total	**$25,708,422**	**$23,265,364**

Marketing/brand management:
Vp mktg, John C. Reid
Grp mktg dir, Patrick Garner
Brand mgr, Michael French
Assoc brand mgr, Kay Abercrombie
Vp-media dir, William H. Lynn
Corp media mgr, Terri Buckland
Agency: Lowe Marschalk, N.Y.
Exec vp-grp dir, Eric Einhorn

Acct supr, Neal Wilkins
Acct exec, Susan Gold
Asst acct exec, Laura Gross
Sr vp media, Stephen M. Segal
Vp-assoc media dir, Christina O. Brodie
Media grp hd, Reg Ungberg
Media supr, Lisa Raduazzo
Sr media plnr, Pam Edelstein
Asst media plnr, Kerrianne Walsh
Black agency: Burrell Advertising
Sr vp-gm , William Sharp
Vp acct supr, Neva Richardson
Acct exec, Barbara Jackson
Vp media dir, Nick Howse
Media supr, Michelle Garner
Hispanic Agency: Castor Spanish International

> **Lee Nails' use of discounted tv time led to its debut at no. 22.**

99. HERTZ RENT-A-CAR SYSTEM

Allegis Corp.

	Media investments 1986	1985
Magazines	$ 4,154,100	$4,570,300
Natl. Sun. mags.	52,700	55,700
Network tv	3,819,500	1,910,900
Spot tv	7,450,500	5,787,900
Network radio	—	—
Spot radio	2,315,909	
Outdoor	71,000	118,900
Network cable	6,000	41,900
Newspapers	7,812,744	8,214,975
Total	**$25,682,453**	**$20,700,575**

Marketing/brand management:
Exec vp & gm-rent-a-car division, Brian J. Kennedy
Div vp mktg, Tom Jans
Div vp-adv & mktg progs, Rob Nuechterlein
Agency: Scali, McCabe, Sloves, N.Y.
Exec vp, Murray Gaylord
Sr vp, Gary Verrill
Vp, Bo Overlock

100. MARLBORO FILTER KINGS & 100's CIGARETTES (multi-product ads)

Philip Morris Cos.

	Media investments 1986	1985
Magazines	$20,050,000	$ 3,173,900
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	33,500	24,400
Network cable	—	—
Newspapers*	5,475,378	12,756,846
Total	**$25,558,878**	**$15,955,146**

*M&MD estimates

Marketing/brand management:
Grp brand mgr, Richard Stirlin
Brand mgr, Nancy Brennan
Vp media, James L. Thompson Jr.
Agency: Leo Burnett, Chicago
Sr vp acct dir, Jim Oates
Vp acct dir, Peter Volz
Acct supr, Paul Driggs
Exec vp media svce div, Willard Hadlock
Vp media dir, Bob Houghtlin

101. MAZDA B-2000 COMPACT TRUCKS

Mazda Motors of America (Central), Inc.

	Media investments 1986	1985
Magazines	$ 6,704,800	$ 6,156,000
Natl. Sun. mags.	—	—
Network tv	15,595,200	11,410,000
Spot tv	1,895,800	963,000
Network radio	—	—
Spot radio	—	—
Outdoor	1,000	—
Network cable	503,100	646,000
Newspapers*	596,297	423,000
Total	**$25,296,197**	**$19,598,000**

*M&MD estimates

Marketing/brand management:
Sr vp-gm, R. E. Hayden
Vp mktg, Duane Bowen
Sr vp-gm (MMA-East), Jim Trado
Vp mktg svces, R. Parker
Parent: Itoh C & Co Ltd.

Give Your Customers A Toll-Free 800 Number. We'll Do The Rest!

1-800-248-2280

Placing an 800 "call to action" number in your advertising encourages your prospects to immediately pursue interest in your product or service.
Dialogue Marketing will do the rest:
Refer—We'll answer calls from your customers 24 hours-a-day and direct them to your dealers or service centers.
Fulfill—Product literature with a personalized letter will be promptly sent to callers while their interest is high.
Report—A variety of reports will keep you and your dealers accurately informed of sales leads, media effectiveness, and referral results.

Our clients are leading brand name manufacturers of automobiles, consumer electronics, aircraft, heating & air conditioning systems, business machines, appliances, and building materials.

As the nation's oldest and largest In-WATS referral service, over 200 major manufacturers depend on us . . . day and night. Find out how your company can benefit from our experience. Use our "call to action" and contact Don Dadds Toll-Free at:

1-800-248-2280

DIALOGUE MARKETING 800
RUPPMAN MARKETING SERVICES, INC.
1909 E. Cornell, Peoria, Illinois 61614

Agency: Foote, Cone & Belding, Los Angeles
Sr vp-grp mgmt dir, Welton Mansfield
Media dir, Robert MacDonald (Santa Ana)

102. FORD PASSENGER CARS & TRUCKS

(Joint product ads)

Ford Motor Co.

	Media investments	
	1986	1985
Magazines	$ 71,400	$ 275,600
Natl. Sun. mags.	—	—
Network tv	16,308,000	5,132,400
Spot tv	8,466,700	3,498,900
Network radio	—	—
Spot radio	—	—
Outdoor	143,700	34,300
Network cable	117,600	70,300
Newspapers	—	—
Total	**$25,107,400**	**$9,011,500**

Marketing/brand management:
Ford Division:
Vp-gm, R.L. Rewey
Gen mktg mgr, R.H. Roberts
Adv mgr, John Vanderzee
Car ad mgr, R.J. Gillooly
Truck ad mgr, G.M. Frick
Dealer ad mgr, H.S. Wilson
Agency: J. Walter Thompson, Detroit
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Chuck Balestrino
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency: Hispania/JWT, New York
Sr vp-gm, Alfredo Jarrin
Acct supr, Andrea Doren
Media dir, Carlos Cintron
Acct exec, Ivan Pichardo
Black agency: Burrell Advertising (Cars only)
Vp-mgmt supr, Don Coleman
Acct exec, Esther Terrell
Vp-media dir, Nick Howse
Assoc media dir, Zeline Kelly
Media plnr, Mary Johnny

103. US SPRINT LONG DISTANCE LINES

US Sprint Communications Co.

	Media investments	
	1986	1985
Magazines	$ 355,700	$ 451,000
Natl. Sun. mags.	63,900	—
Network tv	4,218,000	—
Spot tv	15,026,100	42,212,000
Network radio	—	—
Spot radio	1,923,148	3,552,996
Outdoor	21,000	—
Network cable	—	—
Newspapers*	3,233,881	6,440,000
Total	**$24,841,729**	**$52,676,996**

*MM&D estimates

Marketing/brand management:
Sr vp mktg, Edward W. Carter
Dir prod mgmt, Amanda Weathersby
Dir adv & dir mktg, Jorge Rodriguez
Agency: JWT, San Francisco
Sr vp-acct dir, Lloyd Stein
Vp-mgmt suprs: Sherry Carniglia, Tina Meinig
Sr vp media dir, Charlotte Weissenberger
Assoc media dir, Al Adams

104. NUTRASWEET SWEETENER

G. D. Searle & Co.

	Media investments	
	1986	1985
Magazines	$ 2,203,700	$ 1,119,000
Natl. Sun. mags.	—	—
Network tv	22,010,800	26,174,000
Spot tv	155,600	703,000
Network radio	—	—
Spot radio	—	—
Outdoor	12,200	—
Network cable	270,100	262,000
Newspapers	55,115	—
Total	**$24,707,515**	**$28,258,000**

Marketing/brand management:
Vp mktg, William Wohlfeil
Dir mktg, Brenda Sussna
Parent: Monsanto Company
Agency: Ogilvy & Mather, Chicago
Sr vp grp dir, Ian Miller
Vp mgt supr, Barbara Elmendorf
Hispanic Agency: Mendoza, Dillon & Associados, Inc. Newport Beach, Calif.
Vp acct svces, Eduardo Del Rivero

105. AUDI PASSENGER CARS

Volkswagenwerk AG

	Media investments	
	1986	1985
Magazines	$ 1,362,100	$ 1,709,600
Natl. Sun. mags.	43,300	61,400
Network tv	12,162,300	373,000
Spot tv	8,374,400	141,100
Network radio	—	—
Spot Radio	—	—
Outdoor	—	—
Network cable	135,700	—
Newspapers	2,554,924	1,510,835
Total	**$24,632,724**	**$3,795,935**

Marketing/brand management:
Vp, John Damoose
Dir mktg, Tony Kirton
Adv mgrs: Bruce Butzier, Jay Houghton, Russell Hill
Agency: DDB/Needham Worldwide, Detroit
Pres, Brian Bowler
Sr vp-mgmt supr, Peter Farago
Vp-acct supr, Tim Byer
Sr vp-media dir, Bob Mancini
Mgr-Audi plng, Kevin Brown

106. GOODWRENCH AUTOMOTIVE PARTS & SERVICES

General Motors Corp.

	Media investments	
	1986	1985
Magazines	$ 9,921,600	—
Natl. Sun. mags.	505,600	—
Network tv	11,600,100	—
Spot tv	289,300	—
Network radio	1,136,200	—
Spot radio	—	—
Outdoor	500	—
Network cable	29,700	—
Newspapers	(No data)	(No data)
Total	**$24,483,000**	—

Marketing/brand management:
Dir mktg-srvc parts operations, C.S. Wagner
Adv mgr-GM dealers group, K.F. Robinson
Agency: DMB&B, Bloomfield Hills, Mich.
Grp media dir, M. Choinski
Assoc media supr, S. Daniel
Vp-mgmt supr, T.T. Teegarden
VP-grp acct supr, C.S. Brandt
Acct supr, S.T. Hayes
Acct execs: C.A. Morgan, S.M. Doyle, B.E. Resnicoff

107. FORD RANGER COMPACT TRUCKS

Ford Motor Co.

	Media investments 1986	1985
Magazines	$ 5,281,200	$ 5,037,000
Natl. Sun. mags.	—	—
Network tv	12,360,900	12,613,000
Spot tv	6,323,800	1,012,000
Network radio	—	—
Spot radio	—	—
Outdoor	238,000	254,000
Network cable	204,600	293,000
Newspapers	—	—
Total	**$24,408,500**	**$19,209,000**

Marketing/brand management:
Ford Division:
Vp-gm, R.L. Rewey
Gen mktg mgr, R.H. Roberts
Adv mgr, John Vanderze[illegible]
Truck ad mgr, G.M. Frick
Agency: J. Walter Thompson, Detroit, MI
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Chuck Balestrino
Sr vp-creat dir, Richard Howting
Sr vp-dir mktg srvcs, Robert Gamble
Sr vp-bdcst supr, Ron Fredrick
Sr vp-media dir, Thomas E. Healey
Vp-car & truck grp media dir, Paul Hunt
Assoc media dir (trucks), Susan Kiltie
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Alfredo Jarrin
Acct supr, Andrea Doren
Media dir, Carlos Cintron
Acct exec, Ivan Pichardo

108. AMERICAN FAMILY MAIL-ORDER PROMOTIONS

National Syndications, Inc.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	$24,405,900	$28,735,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	—	—
Newspapers	—	42,000
Total	**$24,405,990**	**$28,777,000**

Marketing/brand management:
Vp mktg, Jess Joseph
Pres, Bud Pironti
Parent: National Paragon
Agency: In-house
Media coor, Jess Joseph

109. TIME-LIFE BOOKS

Time, Inc.

	Media investments 1986	1985
Magazines	$13,968,800	$15,377,000
Natl. Sun. mags.	185,100	163,000
Network tv	34,800	9,000
Spot tv	5,970,100	3,374,000
Network radio	—	—
Spot radio	47,721	8,668
Outdoor	—	—
Network cable	3,938,800	1,955,000
Newspapers	234,192	89,000
Total	**$24,379,513**	**$20,975,668**

Marketing/brand management:
Pres Time-Life Books, Chris Linen
Sr vp mktg, Leo Toraballa
Vp media svces, Hallett Johnson III
Dirs prod mgmt: Tamara Kirson, Roger Miller
Brand mgrs: Mary Donohoe, Yuri Okuda, Kathy Bloomfield, Kathryn McDonald
Adv media mgr, Nancy Jones
Bdcst media mgr, Wayne Butler
Print media mgr, Carla Harding
Agencies: Wunderman, Ricotta & Kline, N.Y.
Vp mgmt supr, Judy Keane
Exec vp media dir, Polly Langbort
Vp assoc media dir, Jane Plant
Grp dir exec vp, Worth Linen
Media supr, Cathy Calve
Acct execs: Hanna Schwartz, Wendy Ball
A. Eicoff & Co.
Pres, Ron Bliwas
Sr vp acct mgr, Rick Sangerman
Sr vp media dir, Francie Barson
Sr vp crtv dir, Joel Rappin
Vp grp crtv dir, Carol Darr
Media supr, Beth Constantine
Acct exec, Laura Ebbers
Trfc & contract mgr, Dena Gordon
Media buyers: Ken Hodack, Peggie Stuebe, Rick Shreuder
Direct Inc.
Pres, John Verdon
Dir acct mgmt, Steve Walters
Assoc media dirs: Brian Hughes, Brian Gillian
Crtv dir, Spencer Lambert
Media plnr, Sean Cunningham
Asst plnr, Susan Michalski
Acct exec, Gail Brown
Acct supr, Frank Salerno

110. LOWENBRAU BEER

Miller Brewing Co.

	Media investments 1986	1985
Magazines	$ 2,418,100	$ 594,000
Natl. Sun. mags.	—	—
Network tv	7,583,300	9,050,000
Spot tv	8,668,900	7,192,000
Network radio	—	—
Spot radio	4,597,634	3,205,150
Outdoor	266,800	8,000
Network cable	554,600	345,000
Newspapers	243,819	167,000
Total	**$24,333,153**	**$20,561,150**

Marketing/brand management:
Pres, William K. Howell
Vp brand mgmt, Robert A. Toledo
Grp prod dir, William H. Barrett
Brand mgr, Tamara J. Hauck
Asst brand mgr, Robb DeGraff
Parent company: Philip Morris
Agency: J. Walter Thompson, Chicago
Sr vp-acct dir, Will Howard
Acct supr, Dermid Eagen
Acct rep, Neal Yonover
Acct coor, Melissa Sturgeon
Hispanic agency: Mendoza, Dillon & Associados, Inc. Newport Beach, Calif.
Vp acct svces, Eduardo Del Rivero

111. MARLBORO FILTERS

Philip Morris U.S.A.

	Media investments 1986	1985
Magazines	$ 2,805,800	$ 4,217,000
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	15,928,100	19,329,000
Network cable	—	—
Newspapers	5,475.378	4,324,000
Total	**$24,209,278**	**$27,870,000**

Marketing/brand management:
Grp brand mgr, Richard Stirlin

(continued)

Brand mgr, Nancy Brennan
Vp media, James L. Thompson Jr.
Agency: Leo Burnett, Chicago
Sr vp-acct dir, Jim Oates
Vp-acct dir, Peter Volz
Acct supr, Paul Driggs
Exec vp media srvcs div, Willard Hadlock
Vp-media dir, Bob Houghtlin

American Express, MasterCard, Discover and Visa cards all appear in the Top 200.

112. GTE CORPORATE

GTE Corp.

	Media investments 1986	1985
Magazines	$ 4,464,700	$ 5,686,000
Natl. Sun. mags.	77,700	—
Network tv	8,230,800	8,041,000
Spot tv	8,102,400	3,061,000
Network radio	—	—
Spot radio	1,966,372	2,128,288
Outdoor	—	—
Network cable	43,400	169,000
Newspapers*	8,168,695	6,942,000
Total	**$23,919,000**	**$21,775,000**

*M&MD estimates

Marketing/brand management:
Vp-corp comm, Edward C. MacEwen
Dir corp adv, Rupert Smith
Agency: DDB/Needham Worldwide, New York
Exec vp, Larry Iannuzzelli
Grp sr vp, Denis Crosley
Vp-acct suprs: Joe Belle Isle, Jim Cole, Susan Hershey, Richard Van Winkle
Vp-mgmt supr, Nancy Bretl
Acct supr, Ann Davies
Acct execs: Ray Albergotti, Helen Wanamaker, Debbie Vanderbeek, Karin Muff, Scott McNulty
Vp-media plng dir, Bob Huff
Vp-assoc media plng dir, Davis Stewart

113. MARLBORO LIGHTS KINGS & 100'S CIGARETTES

Philip Morris Companies, Inc.

	Media investments 1986	1985
Magazines	$ 20,250,100	$ 8,212,200
Natl. Sun. mags.	—	2,183,800
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	404,800	166,500
Network cable	—	—
Newspapers	3,177,611	14,819,911
Total	**$23,832,511**	**$25,382,411**

Marketing/brand management:
Grp brand mgr, Richard Stirlin
Brand mgr, Nancy Brennan
Vp media, James L. Thompson Jr.
Agency: Leo Burnett, Chicago
Sr vp acct dir, Jim Oates
Vp acct dir, Peter Volz
Acct supr, Paul Driggs
Exec vp media svce dir, Willard Hadlock
Vp media dir, Bob Houghtlin

114. HOME BOX OFFICE PAY TV CHANNEL

Time Inc.

	Media investments 1986	1985
Magazines	$ 8,371,200	$ 2,473,700
Natl. Sun. mags.	35,800	—
Network tv	—	9,600
Spot tv	7,526,300	6,726,500
Network radio	—	—
Spot radio	2,891,846	3,485,362
Outdoor	10,000	6,000
Network cable	144,200	481,300
Newspapers	4,723,907	4,021,724
Total	**$23,703,253**	**$17,204,186**

Marketing/brand management:
Sr vp-mktg, John Billick
Vp-adv & prom, Dan Levinson
Vp-dir mktg, Steve Janus
Agency: BBDO, N.Y.
Exec vp, Joe Barrett
Sr vp, Ken Angel
Vp, John Marchese
Sr vp, Leslie Margulis
Exec vp, Charles Miesmer
Assoc crtv dir, Mike Shevack

115. CHEESE INDUSTRY PROMOTION

American Dairy Association

	Media investments 1986	1985
Magazines	$ 1,466,000	$ 233,000
Natl. Sun. mags.	—	—
Network tv	19,691,700	$31,095,000
Spot tv	853,400	1,581,000
Network radio	739,100	640,000
Spot radio	47,830	82,461
Outdoor	8,600	3,000
Network cable	630,400	402,000
Newspapers*	122,975	69,000
Total	**$23,560,005**	**$34,105,461**

*M&MD estimates

Marketing/brand management:
Sr vp- adv & mktg srvcs, United Dairy Industry Association, and pres, American Dairy Association, Joseph B. Kelsch
Vp-mktg plng, Stephen A. Dohrmann
Vp-mktg srvcs, Grover B. Simpson
Dir adv srvcs, Donna A. Arcus
Mktg mgr, manufactured prods, Amy J. Truitt
Agency: D'Arcy Masius Benton & Bowles, Chicago
Sr vp-mgmt supr, Ben Bishop
Vp-acct grp suprs: Bob Meuser, Dave Urbaniak, Mike Leonhart
Acct suprs, Brad English, Andrea Dichter
Sr vp-dir media srvcs, Joe Zeller
Vp-assoc media dir, Willard Hemsworth

116. AMTRAK RAIL SYSTEM

National Railroad Passenger Corp.

	Media investments 1986	1985
Magazines	$ 2,042,000	$ 3,660,000
Natl. Sun. mags.	2,591,600	2,033,000
Network tv	980,800	704,000
Spot tv	12,637,500	8,070,000
Network radio	—	—
Spot radio	1,126,287	—
Outdoor	322,500	1,084,000
Network cable	31,900	—
Newspapers	3,800,000	6,756,000
Total	**$23,532,587**	**$22,307,000**

(continued)

Marketing/brand management:
Exec vp mktg & bus dev, William Norman
Vp sls & adv, Robert Gall
Dir adv & sls prom, William Castleberry
Agency: DDB Needham, N.Y.
Sr vp-mgmt suprs, Roy Lancaster, Dick Murray
Vp-grp media dir, Robert Huff
Vp, acct supr, Lauren Berger
Acct execs, Margaret Lynch, Elizabeth Whall, Barry Brown, John Collins

The U.S. Mint made the list, thanks to the Statue of Liberty coins.

117. BLUE CROSS & BLUE SHIELD PLANS

Blue Cross and Blue Shield Association

(Not including ads from regional operations and ads solely for Blue Cross Insurance, etc.)

	Media investments 1986	1985
Magazines	$ 1,074,300	$ 1,809,000
Natl. Sun. mags.	56,600	—
Network tv	4,952,200	4,530,000
Spot tv	15,343,000	9,759,000
Network radio	—	1,265,000
Spot radio	1,419,720	104,532
Outdoor	555,500	200,000
Network cable	9,000	—
Newspapers	—	—
Total	**$23,410,320**	**$17,667,532**

Marketing/brand management:
Sr vp-natl mktg div, Leonard E. Wood III
Exec dirs: Richard Maturi, Rick Enright
Vp comm, Duane Carlson
Sr consultant, Tom Mora
Corp plnr, Gere Collosky
Agency: HCM, Chicago
Sr vp, Laurel Baer
Acct exec, Bob Reilley
Acct supr, Dan Schmidt

118. WINN-DIXIE STORES

Winn-Dixie Stores, Inc.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 5,097,900	$ 2,199,000
Spot tv	16,874,200	$17,330,000
Network radio	—	—
Spot radio	833,558	993,460
Outdoor	523,100	50,000
Network cable	—	86,000
Newspapers	(No data)	(No data)
Total	**$23,328,758**	**$20,658,460**

Marketing-brand management:
Dir adv, G. E. Clerc, Jr.
Agency: William Cook Advertising Inc., Jacksonville, FL
Exec vp-acct mgr, Carson Eddings
Vp-acct suprs: Lura Benton, James Radcliffe, Mike Russell
Acct execs: Dick Mathews, Marty Lynch, Dick Bentz
Media dir, Mary Shine
Media plnr, Bob Stone

119. PAMPERS DISPOSABLE DIAPERS

The Procter & Gamble Co.

	Media investments 1986	1985
Magazines	$ 610,300	$ 560,000
Natl. Sun. mags.	—	—
Network tv	19,020,000	6,425,000
Spot tv	3,208,700	10,390,000
Network radio	—	—
Spot radio	—	33,508
Outdoor	3,900	—
Network cable	350,400	—
Newspapers	117,864	878,000
Total	**$23,311,164**	**$18,286,508**

Marketing/brand management:
Vp div mgr, Richard R. Nicolosi
Agency: D'Arcy Masius Benton & Bowles, New York
Sr vp grp dir, Ed Lebar
Sr vp media dir, Rich Hamilton
Vp assoc media dir, Mark McLaughlin

120. WRIGLEY'S DOUBLEMINT GUM

Wm. Wrigley Jr Co

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	13,205,700	8,686,400
Spot tv	6,448,600	4,777,100
Network radio	2,087,700	1,273,900
Spot radio*	—	2,855
Outdoor	—	—
Network cable	1,565,300	720,100
Newspapers	—	—
Total	**$23,307,300**	**$15,460,355**

*M&MD estimates

Marketing/brand management:
Exec vp mktg, Ronald O. Cox
Mktg dir, Gary Bebee
Mktg mgr, Ron Boyum
Agency: BBDO, Chicago
Exec vp, Andrew Donchak
Vp acct supr, Tonise Hayden
Sr acct exec, Kathi Hudson
Sr vp media dir, Robert Garrison
Vp dir of plng, Kathy Segal
Vp AMD, Nancy Swiet

121. WRIGLEY'S SPEARMINT GUM

Wm. Wrigley, Jr. Co.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$14,965,400	$14,619,000
Spot tv	6,353,000	5,531,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	1,813,400	1,343,000
Newspapers	—	—
Total	**$23,131,800**	**$21,493,000**

Marketing/brand management:
Exec vp mktg, Ronald O. Cox
Mktg dir, Gary Bebee
Mktg mgr, Ron Boyum
Agency: BBDO Chicago
Exec vp, Andrew Donchak
Vp-acct supr, Jay Tolman
Acct exec, Mike Schneider
Sr vp-media dir, Robert Garrison
Vp dir plng, Kathy Segal
Vp AMD, Deb Nevin

122. SAFEWAY STORES

Safeway Stores, Inc.

	Media investments 1986	1985
Magazines	$ 1,067,100	$ 1,273,000
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	20,144,900	18,316,000
Network radio	—	—
Spot radio	1,444,539	—
Outdoor	191,100	513,000
Network cable	—	—
Newspapers	(No data)	(No data)
Total	**$22,847,639**	**$20,102,000**

Marketing/brand management:
Grp vp-dir mktg, Donald J. Smith
Vp adv & prom, Ron Giglio
Agency: Ketchum Communications, San Francisco
Sr vp-grp dir, Dianne Snedaker
Vp-acct supr, Carla Emil
Acct supr, Zonda Montgomery
Sr vp-media dir, Cheryl Kroyer
Vp-assoc media dir, Ricki Kohn
Media supr, Lynn Wolfson
Pres-exec crtv dir, Ken Dudwick
Sr vp-crtv dir, Larry Kopald
Vp assoc crtv dirs: Carla Krummel, Dave Tyree
Rsrch supr, Jeanne Brown
Vp dir bdcst prdctn, Debora January
Advertising managers of 13 regional divisions determine media expenditures. Each division employs its own broadcast agency.

123. WISK DETERGENT

Lever Brothers Co.

	Media investments 1986	1985
Magazines	$1,487,900	—
Natl. Sun. mags.	—	—
Network tv	15,978,200	$10,371,000
Spot tv	5,182,300	6,398,000
Network radio	—	223,000
Spot radio	12,055	244,014
Outdoor	—	—
Network cable	122,900	101,000
Newspapers	3,706	—
Total	**$22,787,061**	**$17,337,014**

Marketing/brand management:
Vp mktg household prod, John Speirs
Mktg mgr, George Mayer
Parent: Unilever United States Inc.
Agency: BBDO, New York
Exec vp-sr mgmt rep, Art Unger
Sr vp-mgmt supr, William Heath
Vp-acct supr, Don Maurer
Sr vp dir media plng, Mike Drake
Vp-assoc media dir, Nora Gallick
Media supr, Stella Sznajderman
Media plnrs: Pam Baron, Lori Greenberg

Hyundai Excel's introduction drove the import into the top 100 entries.

Take a look at our numbers and you'll see the true colors of success.

We're the #1 paper in the country for household coverage in our PMA. The News is the only daily in New York's 2nd largest market with 80% coverage daily, 82% on Sunday. Just one paper reaches a market that's green and growing, with $13.5 billion in spendable income. For the complete success story, call Hugh Monaghan (716) 849-3422 at The News.

The color of Success

THE BUFFALO NEWS

ON THE GO!

124. GOODYEAR CAR TIRES

The Goodyear Tire & Rubber Co.

	Media investments 1986	Media investments 1985
Magazines	$ 8,168,800	$10,452,000
Natl. Sun. mags.	53,200	—
Network tv	9,929,600	8,614,000
Spot tv	3,744,600	1,813,000
Network radio	—	—
Spot radio	402,991	292,195
Outdoor	17,700	—
Network cable	440,200	352,000
Newspapers	—	—
Total	**$22,757,091**	**$21,523,195**

Marketing/brand management:
Vp adv, James K. Devoe
Dir prod adv, Robert L. Gray
Dir rtl adv, Davis M. Jones
Mgr adv-auto tires, J.A. Neawedde
Mgr adv-truck & farm tires, Norb Drol
Adv mgr-perf, RV, racing tires & ARP, P.F. Suloff
Mgr adv-gen prods, J.T. Manning
Adv mgr-retail stores, J.R. Pascover
Mgr-major mkt progs, G.S. Drop

Agency: J. Walter Thompson, New York
Sr vp-mgmt dir, Peter Hanley
Vp-sr acct supr, Howard Pickett
Vp-acct supr, Bob Losi
Acct rep, Kate Lynch
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr vp-dir media plng, John Gray
Sr vp-dir bdcst, John Sisk
Vp-assoc media dir (plng), Al Romano
Vp-assoc media dir (net neg), Ron Von Urff
Media supr, Mark Stewart
Media plnr, Lisa Bannerot
Asst media plnr, Jim Brubaker
International agency: McCann-Erickson, New York
Sr vp-worldwide acct dir, Peter Kennaby

125. MAZDA DEALERS ASSOCIATION FRANCHISE

Mazda Motors of America (Central), Inc.

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$22,313,300	$12,042,900
Network radio	—	—
Spot radio*	6,817	13,478
Outdoor	—	—
Network cable	—	—
Newspapers	345,531	397,430
Total	**$22,665,648**	**$12,453,808**

*M&MD estimates

Marketing/brand management:
Sr vp-gm, R. E. Hayden
Grp vp sls, R. Colliver
Vp mktg, Duane Bowen
Vp mktg svces, R. Parker

UP & COMING!

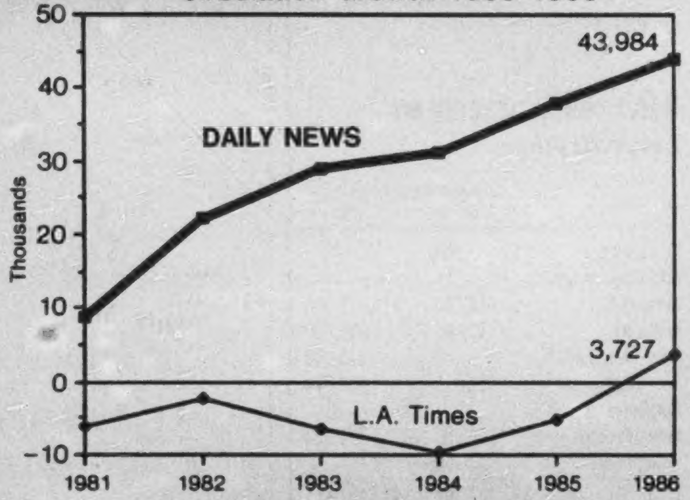
In the affluent Daily News market of Los Angeles, Daily News circulation growth continues to outpace its chief competitor year after year. In fact, over the past seven years, Daily News circulation has increased more than 43,000 as compared to only 3,700 for the Los Angeles Times. *

For information on how you can reach L.A.'s richest, biggest-spending retail market with YOUR advertising, contact the Daily News today at 818-713-3249.

Daily News
LOS ANGELES

Represented nationally by Sawyer-Ferguson-Walker, Inc.

Circulation Growth 1980-1986



* Number represents circulation growth in Daily News market only (in northern Los Angeles and southern Ventura counties). Daily News total circulation is 153,000 daily, 165,000 Sunday. Source VAC Reports 1980; ABC Audit Reports 1981-1986.

Sr vp-gm (MMA-East), Jim Trado
Vp mktg & sls, J. Wiesner
Vp regional oper, G. McCabe
Agency: Foote, Cone & Belding, Santa Ana
Sr vp-grp mgmt dir, Welton Mansfield
Vp media dir, Robert MacDonald

> **AT&T has six separate entries, including corporate ad spending, in this year's report.**

126. CHEVROLET COMPACT TRUCKS

Chevrolet Motors Division

	Media investments 1986	1985
Magazines	2,716,700	884,000
Natl. Sun. mags.	589,800	—
Network tv	$13,226,700	$ 2,585,000
Spot tv	1,734,200	700,100
Network radio	458,000	—
Spot radio	1,555,187	68,540
Outdoor	100	—
Network cable	192,600	77,800
Newspapers	2,068,932	2,276,505
Total	**$22,542,219**	**$6,591,945**

Marketing/brand management:
GM, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Fld mktg mgr, Edd K. Roggenkamp III
Asst gen sls mgr, Michael H. Erdman
Mktg mgr-trucks, John M. Kelley
Mgr truck adv, Thomas P. Cutler
Parent: General Motors Corp.
Agency: Campbell-Ewald, Detroit
Exec vp-client srvc dir, Robert H. Schirmer
Sr vp, Dennis G. Connaughton
Grp sr vp-grp mgmt suprs: John A. Barczyk (trucks), Anthony J. Hopp (area mktg)
Exec vp-media srvcs dir, Louis M. Schultz
Sr vp-assoc media dirs: James T. Birchfield (natl), Ronald D. Geskey (area mktg)
Sr vp-mgr, Barbara A. Munro
Sr vp-dir natl brdcst media, Judith E. Sawyer
Sr vp-mgr lcl mkt media, Robert I. Mitchell II
Vp-media suprs (area mktg): Ellis J. Veech, John A. Winkelseth

127. WINSTON CIGARETTES

R. J. Reynolds Tobacco Co.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	$21,009,000	$25,510,000
Network cable	—	—
Newspapers	1,517,901	6,458,000
Total	**$22,526,901**	**$31,968,000**

Marketing/brand management:
Sr vp brand mktg, J. T. Winebrenner
Mktg dir, R.M. Sanders
Sr brand mgr, T. C. Harris
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Grp plng mgr, T. J. McCabe
Parent: RJR Nabisco, Inc.
Creative agency: McCann-Erickson, N.Y.
Exec vp, Edward G. A. Bathon
Sr vp-mgmt rep, Simon Marlow

128. MCI CONSUMER LONG DISTANCE

MCI Communications Corp.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 12,539,400	—
Spot tv	8,247,300	$ 25,665,000
Network radio	—	—
Spot radio*	564,461	97,148
Outdoor	—	—
Network cable	1,000	—
Newspapers*	1,158,118	1,145,000
Total	**$22,510,279**	**$26,907,148**

*M&MD estimates

Marketing/brand management:
Sr vp corp affairs, Howard Crane
Vp adv, Judy Ranzer
Vp prod mktg, Roy Gamse
Agency: D'Arcy Masius Benton & Bowles Inc., N.Y.
Sr vp/grp dir, Mike Moore
Vp acct dir, Lamar LeMonte
Sr vp media dir, Rich Hamilton
Media dir, Doug MacMullan

129. U.S. MINT COINS

United States Government

	Media investments 1986	1985
Magazines	$ 3,181,700	$ 215,200
Natl. Sun. mags.	395,300	—
Network tv	16,898,200	—
Spot tv	1,876,500	—
Network radio	—	—
Outdoor	—	—
Network cable	10,000	—
Newspapers	269,928	82,528
Total	**$22,361,628**	**$297,728**

Marketing/brand management:
Bureau of the mint:
Dir U.S. Mint, Donna Poppe
Dir adv, Brian O'Donnell
Agency: Undecided

130. ECKERD DRUG STORES

Jack Eckerd Corp.

	Media investments 1986	1985
Magazines	$ 545,000	$ 206,200
Natl. Sun. mags.	—	—
Network tv	1,279,600	1,888,900
Spot tv	17,379,000	13,159,400
Network radio	—	—
Spot radio	938,999	129,229
Outdoor	44,600	7,700
Network cable	2,022,900	1,011,700
Newspapers	(No data)	(No data)
Total	**$22,210,099**	**$16,403,129**

Marketing/brand management:
Exec vp-mktg, Ronald D. Peterson
Vp-ad/sls prom, Kenneth Banks
Agency: WB Doner, St. Petersburg, Fla.
Sr vp-grp dir, Ann Bergstrom
Vp, acct supr, Craig Carpenter
Acct execs: Shelley Manes, Jenny Puryear
Vp-media dir, Robert G. Jorden
Assoc media dir, Joan Morse

131. CALIFORNIA COOLER

Brown-Forman Corp.

	Media investments	
	1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$16,137,300	$ 5,633,600
Spot tv	2,538,200	5,381,500
Network radio	—	258,500
Spot radio	2,599,527	5,851,808
Outdoor	415,000	70,900
Network cable	506,100	346,700
Newspapers	—	16,521
Total	**$22,196,127**	**$17,559,529**

Marketing/brand management:
Vp-mktg, Jon Shastid
Sr brand mgr, Mimi Zinniel
Parent: Brown-Forman Corp.
Agency: Chiat/Day, San Francisco
Vp-dir acct mgmt, Matthew Crisci
Mgmt supr, Wayne Fulcher
Acct supr, Michael Murphy
Acct execs: Janice de Ryss, Jamie Goodman
Vp-media dir, Camille L. Johnson
Assoc media dir, Catharine Gerber
Net supr, Dan Ciccone
Media supr, Debbie Kelly
Black agency: Burrell Advertising
Vp-mgmt supr, Robert Hinton
Acct exec, Esther Terrell
Vp-media dir, Nick Howse
Assoc media dir, Zeline Kelly
Media plnr, Mary Johnny

132. SUBARU DEALERS ASSOCIATION

Subaru of America, Inc.

	Media investments	
	1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$18,630,100	$13,084,500
Network radio	—	—
Spot radio*	2,604,594	726,652
Outdoor	—	9,300
Network cable	—	—
Newspapers	927,341	477,234
Total	**$22,162,035**	**$14,297,686**

*M&MD estimates

Marketing/brand management:
Grp vp sls mktg, C.D. "Doug" Mahin
Vp mktg, David L. Sippel
Dir adv & merch, Chris Wackman
Natl adv ops mgr, Joe Fellona
Natl dist mktg mgr, Jeff Lawson
Parent: Fuji Heavy Industries
Agency: Levine, Huntley, Schmidt & Beaver, Inc. N.Y.
Suburu distributer acct group:
Vp acct sup, Jack O'Hollaren
Acct supr, Scott Marticke
Asst acct execs: Jeff Petre, Elaine Romano, John Kennedy
Field acct execs:
Sr acct execs: Dan Kaufman (S.E. Subaru), Michael Ervin (Subaru Intl), Steve Faris (S.W. Subaru)
Acct execs: Gordon Daly (Sub Atlantic), Cynthia Greene (Sub dist corp), Vince Agul (Sub of S. Calif), Phil Johnson (Sub of N. Calif.)
Steve Harper (Great Lakes Sub)
National acct group:
Sr vp grp dir, natl & dist bus, Terry Bonaccolta
Vp acct supr, Michael Elkisch
Sr acct execs: Jerry Noonan, Bernie Lanigan
Asst acct exec, Cheri Stern

133. HALLMARK CARDS

Hallmark Cards, Inc.

(Not including corporate ads, stuffed toys, etc.)

	Media investments	
	1986	1985
Magazines	363,800	—
Natl. Sun. mags.	—	—
Network tv	$18,406,500	$16,578,000
Spot tv	1,372,700	227,000
Network radio	—	—
Spot radio	255,101	—
Outdoor	—	—
Network cable	—	—
Newspapers	1,470,194	493,000
Total	**$21,868,295**	**$17,298,000**

Marketing/brand management:
Grp vp-Hallmark brand, Tom Johnston
Vp-card prods, Homer Evans
Vp-specialty prods, Buddy Jones
Vp-adv & prom, Brad Moore
Dir comm, Nancy Matheny
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Gene O'Sullivan
Vp-mgmt supr, Linda Cornelius
Vp-acct supr, Harold Sogard
Sr vp-assoc media dir, Ray Simko
Vp-asst media dir, Beth LeMasurier

134. CHRYSLER PASSENGER CARS

Chrysler Corp.

	Media investments	
	1986	1985
Magazines	$ 805,600	$ 1,617,600
Natl. Sun. mags.	234,400	—
Network tv	10,456,300	5,933,200
Spot tv	3,923,600	3,326,800
Network radio	—	969,600
Spot radio	112,282	—
Outdoor	77,000	316,100
Network cable	272,100	451,800
Newspapers	5,979,689	5,022,624
Total	**$21,860,971**	**$17,637,724**

Marketing/brand management:
Vp-mktg, Joseph A. Campana
Mktg dir, Arthur C. "Bud" Liebler
Brand mgr, Michael O'Malley
Agency: Bozell, Jacobs, Kenyon & Eckhardt, Detroit
Exec vp-gm, George F. Beech
Sr vp-mgmt suprs: L. Vernon, J.P Hickey (dealer assn)
Sr vp-media dir, P.D. Matz
Sr vp-dir media plng, E.E. Kruger
Vp-corp media cont dir, S. Kulczycki
Acct execs: N. Sparrer, G. Burkhardt
Merchandising: Ross Roy, Detroit
Exec vp, Richard C. Ward
Sr vp, J.V. Vehko
Sr vp-gm (Ross Roy prods), R.J. Oliver
Vp-grp acct suprs: D.F. Baldwin, T.W. Kemper, M.P Webster, D.C. Scheich
Vp-acct suprs: G.T. Abdullah, C.L.Reid, R.B. Smith, R.H. West
Sr vp-media dir, G.N.M. Moody

135. CANON COPIERS

Canon U.S.A., Inc.

	Media investments	
	1986	1985
Magazines	$ 5,404,500	$ 5,964,000
Natl. Sun. mags.	28,900	—
Network tv	14,165,600	15,307,000
Spot tv	900,300	527,000
Network radio	—	900,000
Spot Radio	—	—
Outdoor	14,100	44,000
Network cable	144,700	336,000
Newspapers	1,197,066	927,000
Total	**$21,855,166**	**$24,005,000**

Marketing/brand management:
Adv mgr, K. Kikuchi
Agency: DCA Advertising
Vp-dir media srvcs, Steven Naftelberg
Media grp supr, Jim Tyrrell
Media plnr, Brian Loftus
Asst media plnr, Miles Silverman
Vp-mgmt supr, Nick Nakahara
Acct supr, Mariko Kobayashi
Acct exec, Janet Virgil
Asst acct exec, Bob Mitchell
Acct coor, Satch Takayasu

136. HYUNDAI DEALERS ASSOCIATION FRANCHISE

Hyundai Motor America

	Media investments	
	1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$21,606,100	—
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	—	—
Newspapers	188,777	—
Total	**$21,794,877**	—

Marketing/brand management:
Dir mktg, Jack Collins
Natl adv mgr, Joe Corey
Media dlr assoc mgr, Tom Meyers
Agency: Backer & Spielvogel
Sr vp-mgmt supr, Jim SanFilippo
Vp-acct dirs: Jim Cooper, Ron Rogginger, Larry Saunders

137. MATTEL DOLLS

Mattel, Inc.

	Media investments	
	1986	1985
Magazines	$ 740,100	$ 246,000
Natl. Sun. mags.	—	—
Network tv	14,498,700	15,597,000
Spot tv	5,628,500	5,566,000
Network radio	—	—
Spot radio*	321,027	—
Outdoor	—	—
Network cable	511,300	818,000
Newspapers*	—	77,000
Total	**$21,699,627**	**$22,304,000**

*M&MD estimates

Marketing/brand management:
Exec vp mktg Joseph F. Morrison
Vp mktg svces, John Weems
Dir adv svces, Denton Cruise
Agency: Ogilvy & Mather, L.A.
Exec vp & mng dir, Gerry McGee
Vp-mgmt supr, Freddie Bee
Sr vp-media dir, Ron Reilly
Vp-assoc media dir, Tom Coughlin

138. SUBARU PASSENGER CARS

Subaru of America, Inc.

	Media investments	
	1986	1985
Magazines	$3,285,700	$2,103,800
Natl. Sun. mags.	—	—
Network tv	10,844,700	7,271,000
Spot tv	6,633,200	4,590,500
Network radio	—	—
Spot radio	—	—
Outdoor	—	53,300
Network cable	464,700	204,600
Newspapers	470,199	752,280
Total	**$21,698,499**	**$14,975,480**

Marketing/brand management:
Grp vp sls mktg, C.D. "Doug" Mahin
Vp mktg, David L. Sippel
Dir adv & merch, Chris Wackman
Natl adv ops mgr, Joe Fellona
Natl dist mktg mgr, Jeff Lawson
Parent: Fuji Heavy Industries
Agency: Levine, Huntley, Schmidt & Beaver Inc. N.Y.
Sr vp grp dir (natl & dist bus), Terry Bonaccolta
Subaru national account group:
Vp acct supr, Michael Elkisch
Sr acct execs: Jerry Noonan, Bernie Lanigan
Asst. acct exec, Cheri Stern
Vp media, Michael Daly
Media dir, Jim Dragoumus

Subaru Distributor Account Group:
Vp acct supr, Jack O'Hollaren
Acct supr. Scott Marticke
Asst acct execs: Jeff Petre, Elaine Romano, John Kennedy

Field Account Executives:
Sr acct execs: Dan Kaufman (S.E.)
Michael Ervin (Sub int'l), Steve Faris (S.W)
Acct execs: Gordon Daly, Cynthia Greene, Vince Agul,
Phil Johnson, Steve Harper

139. KLEENEX HUGGIES DIAPERS

Kimberly-Clark Corp.

	Media investments	
	1986	1985
Magazines	$ 1,303,400	$ 1,454,000
Natl. Sun. mags.	—	—
Network tv	18,593,600	23,153,000
Spot tv	1,611,600	2,312,000
Network radio	—	—
Spot radio	—	154,423
Outdoor	—	—
Network cable	45,900	121,000
Newspapers	89,499	357,000
Total	**$21,643,999**	**$27,551,423**

Marketing/brand management:
Vp brand mgmt infant care div, Richard F. Auchter
Mktg dir, W. Dudley Lehman
Dir adv srvcs, George J. Ker, Jr.
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Cliff Angers
Vp-mgmt supr, David Mechlin
Vp-assoc media dir, Mark Rice
Asst media dir, Sue Nanfeldt

140. STROH'S BEER

Stroh Brewery Co.

	Media investments	
	1986	1985
Magazines	—	$ 249,000
Natl. Sun. mags.	—	—
Network tv	13,404,800	$16,458,000
Spot tv	2,108,400	1,271,000
Network radio	1,075,100	—
Spot radio	3,715,324	3,632,834
Outdoor	377,700	932,000
Network cable	449,000	2,060,000
Newspapers	294,252	429,000
Total	**$21,424,576**	**$25,031,834**

Marketing/brand management:
Crtv svces dir, Michael C. Jaeger
Strategic plng dir, Charles Powell
Brand plng mgr, Mark Steinberg
Brand plnr, Kevin Singer
Corp media mgr, Peter Speek
Exec vp mktg & sls, J. Wayne Jones
Vp corp media, David Martin
Agency: Lowe Marschalk, N.Y.
Acct supr, Paul T. Norwich
Vp-assoc media dir, Chris Brodie
Media grp hd, Reg Ungberg
Media supr, William Moore
Sr media plnr, Kathy Katemopolous
Acct exec, Kevin Compagna

Black agency: Burrell, Chicago
Vp mgmt supr, Don Coleman
Vp acct dir, Jasper Tanner
Acct execs: Esther Terrell, Mark Lee
Vp media dir, Nick Howse
Assoc media dir, Zeline Kelly
Media plnr, Mary Johnny

141. MATTEL TOYS

Mattel, Inc.

(Not including specific ads for Mattel games, dolls, etc.)

	Media investments 1986	Media investments 1985
Magazines	$ 1,717,900	$ 1,603,000
Natl. Sun. mags.	282,100	—
Network tv	8,649,000	13,930,000
Spot tv	9,113,400	11,906,000
Network radio	—	—
Spot radio*	321,027	—
Outdoor	—	—
Network cable	884,300	1,079,000
Newspapers*	449,255	77,000
Total	**$21,416,982**	**$28,595,000**

*M&MD estimates

Marketing/brand management:
Exec vp mktg, Joseph F. Morrison
Vp mktg svces, John Weems
Dir adv svces, Donton Cruise
Agency: Ogilvy & Mather, L.A.
Exec vp, mng dir, Gerry McGee
Vp-mgmt supr, Freddie Bee
Sr vp-media dir, Ron Reilly
Vp-assoc media dir, Tom Coughlin

142. DISNEY WORLD THEME PARK

Walt Disney World Co.

	Media investments 1986	Media investments 1985
Magazines	—	—
Ntl. Sun. mags.	—	—
Network tv	$ 2,944,700	$ 856,200
Spot tv	15,241,200	12,727,200
Network radio	—	—
Spot radio	12,121	—
Outdoor	—	400
Network cable	3,300	—
Newspapers	3,078,252	1,770,411
Total	**$21,279,573**	**15,354,211**

Marketing/brand management:
Vp-mktg, Tom Elrod
Dir mktg, Phil Lengyel
Dir pub, Charlie Ridgeway
Mgr adv, Mike McPhillips
Mgr prom, Tom Kennington
Mgr special mkts, Sandi Litrenta
Mgr creat srvcs, Deb Muenchow
Parent: Walt Disney Co.
Agency: Young & Rubicam, NY
Sr vp-dir client srvcs, Monty Roberts
Acct exec, Jane Gittleman
Vp-media grp supr, Don Davis
Media suprs: Belinda Benincasa, Mary Walsh
Black Agency: Mingo-Jones, N.Y.

143. NISSAN SENTRA

Nissan Motors Co. Ltd.

	Media investments 1986	Media investments 1985
Magazines	$ 4,194,900	$ 1,298,000
Natl. Sun. mags.	—	—
Network tv	11,154,200	5,312,200
Spot tv	4,826,500	6,567,500
Network radio	—	—
Spot radio	—	—
Outdoor	278,000	100
Network cable	108,400	94,400
Newspapers*	482,686	187,478
Total	**$21,044,686**	**$13,459,678**

*M&MD estimates

Marketing/brand management:
Vp sls & mktg, C.P. King
Dir gen mgr adv & sls prom, Joe Opre
Natl car adv mgr, Terry Fautz
Media plng mgr, Susan Furedi
Agency: William Esty, N.Y.
Sr vp-acct dir, Dick Macedo (L.A.)
Sr vp-acct svces, Don Trepte (L.A.)
Sr vp-media dir, Stacey Lippman
Sr vp-grp media dir, Lucielle Gionet
Assoc media dirs: Doug Powers (N.Y.), Jolene Fedrick (L.A.)

Ford Taurus topped the auto list as the biggest spender among individual car brands.

144. TOYOTA CARS & TRUCKS

[multi-product ads]

Toyota Motor Corp

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 387,500	458,000
Spot tv	20,511,600	$23,332,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	281,000
Network cable	72,300	255,000
Newspapers*	—	1,778,000
Total	**$20,971,400**	**$26,104,000**

*M&MD estimates

Marketing/brand management:
Corp mktg mgr, George Borst
Adv strategy & media mgr, Jan Olson
Brand mgrs: Dave Danzer (cars), Don Cecconi (trucks)
Agency: DFS Dorland Worldwide/ S. Calif (Torrance)
Exec vp mgmt dir, Joe Cronin
Sr vp mgmt supr, Warren Benjamin
Sr vp acct grp suprs: Ray Damiano, Scott Gilbert
Acct suprs: Dave Doyle, Jon Bucci, John Russell, Ian Beavis
Acct execs: Brian Hill, Steve Jett, Cathy Moylan, Jim Floyd, Steve Adams, Linda Malley, Jennifer Reynolds
Sr vp media dir/dir media opers, Richard Weigand
Sr vp media dir, Nora Lapham
Vp media dir, Katherine Galicich

145. ALKA-SELTZER ANTACID/PAIN RELIEVER

Miles Labs

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$12,809,800	$15,778,000
Spot tv	2,872,900	1,693,000
Network radio	4,828,000	2,112,000
Spot Radio	—	—
Outdoor	—	—
Network cable	255,700	101,000
Newspapers	135,822	—
Total	**$20,902,222**	**$19,684,000**

Marketing/brand management:
Vp mktg (U.S.), John W. Howell
Vp-adv mgr, Mitchell Streicker
Agency: McCann-Erickson, N.Y.
Sr vp-grp mgmt dir, Peter Heinz
Vp-acct dir, Mel Philpott
Sr vp-media dir, Ira Carlin
Vp-plng mgr, Vince Tortorelli
Hispanic agency: Conill, New York
Pres & ceo, Carlos R. Rossi
Exec vp-acct srvcs dir, Charles F. Magee, Jr.
Asst vp-media dir, Ilia Leon

Four domestic airlines, with a total of $285.7 million in spending, made the top 25.

146. EVEREADY ENERGIZER BATTERIES

Eveready Battery Co.

	Media investments	
	1986	1985
Magazines	$ 97,600	$ 89,000
Natl. Sun. mags.	—	—
Network tv	18,624,800	23,798,000
Spot tv	191,400	53,000
Network radio	1,255,800	1,060,000
Spot radio	47,209	202,287
Outdoor	—	—
Network cable	538,600	252,000
Newspapers	30,753	85,000*
Total	**$20,786,162**	**$25,539,287**

*M&MD estimate

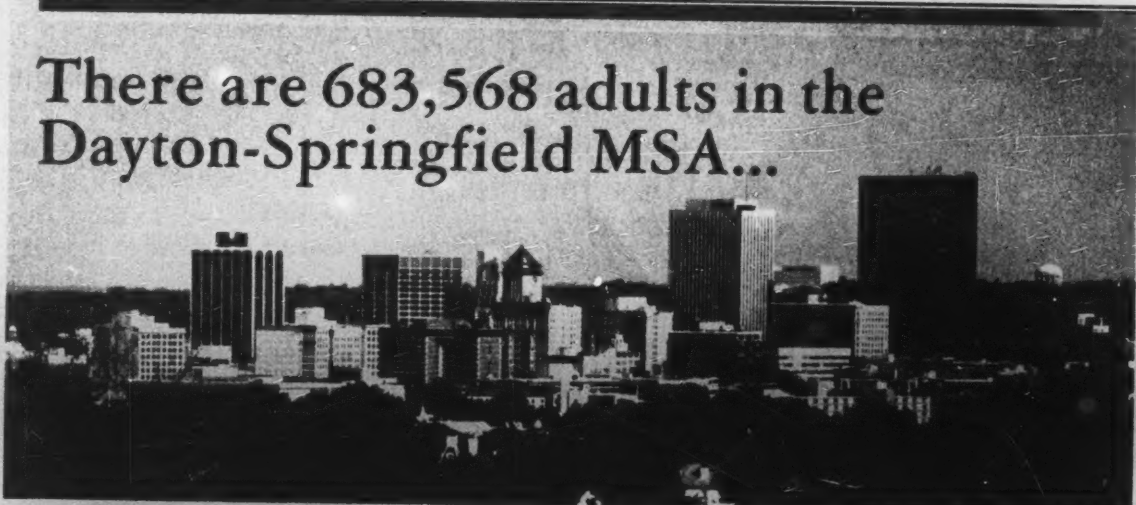
Marketing/brand management:
(Eveready & Energizer brand batteries) Vp mktg, Susan J. Obenhouse
Grp dir, John B. Snodgrass
Parent: Ralston Purina Co.
Agency: DDB Needham Worldwide, Chicago
Acct supr, Charles Austin
Acct execs: Doug Rothrock, Lisa Henson

147. HEWLETT-PACKARD CO. GENERAL PROMOTION

	Media investments	
	1986	1985
Magazines	$ 12,800	$ 2,460,600
Natl. Sun. mags.	—	—
Network tv	20,547,300	4,388,500
Spot tv	34,900	84,600
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	89,500	44,200
Newspapers	—	—
Total	**$20,684,500**	**$6,977,900**

Marketing/brand management:
Corp mktg srvcs dir, Mike Naggiar
Corp adv mgr, Dianne Armer
Agency: Leo Burnett, Chicago
Vp-acct dir, Gary Kroll
Sr vp-grp creat dir, Bob Welke

There are 683,568 adults in the Dayton-Springfield MSA...



Every week 72% of them read the

Dayton Daily News/Springfield News-Sun
THE JOURNAL HERALD

We're Ohio's best-kept secret.

For more information about Dayton-Springfield newspapers contact Leroy Smith at (513) 225-2086

Vp-media dir, Chuck Quarnstrom
Vp-acct supr, Raj Gupta

148. WALL STREET JOURNAL CIRCULATION

Dow Jones & Co.

	Media investments	
	1986	1985
Magazines	$ 396,900	$ 622,100
Natl. Sun. mags.	9,500	—
Network tv	5,954,300	5,054,300
Spot tv	2,814,300	2,860,300
Network radio	5,917,200	3,332,500
Spot radio	1,979,008	1,033,758
Outdoor	—	42,000
Network cable	2,350,700	2,785,700
Newspapers	1,259,215	530,160
Total	**$20,681,123**	**$16,260,818**

Marketing/brand management:
Vp mktg, Bernard Flanagan
Agency: Jim Johnston Advertising N.Y.
Sr vp grp dir, Patricia Johnston
Sr vp media, Howard Gerber

149. TOYOTA TRUCKS

Toyota Motor Corp

	Media investments	
	1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 3,230,300	$ 1,444,000
Spot tv	12,320,600	15,602,000
Network radio	—	—
Spot radio*	2,619,463	2,255,206
Outdoor	446,100	757,000
Network cable	1,072,900	1,234,000
Newspapers*	923,265	1,423,000
Total	**$20,612,628**	**$22,715,206**

*M&MD estimates

Marketing/brand management:
Corp mktg mgr, George Borst
Adv strgy & media mgr, Jan Olson
Adv mgr trucks, Don Cecconi
Agency: DFS Dorland/S. Calif.
Exec vp mgmt dir, Joe Cronin
Sr vp grp acct supr, Scott Gilbert
Acct Supr, Jon Bucci
Acct execs: Cathy Moylan, Jim Floyd
Sr vp dir media ops, Richard Weigand
Sr vp media dir, Nora Lapham
Vp media dir, Katherine Galicich

150. POST GRAPE NUTS CEREAL

General Foods Corp.

	Media investments	
	1986	1985
Magazines	$ 2,824,300	$ 5,194,000
Natl. Sun. mags.	—	335,000
Network tv	12,110,800	10,110,000
Spot tv	5,021,700	5,965,000
Network radio	—	—
Spot radio	66,308	13,962
Outdoor	—	—
Network cable	543,400	501,000
Newspapers	—	378,000
Total	**$20,566,508**	**$22,496,962**

Marketing/brand management:
Vp-gm, W. H. Korab
Mktg mgr, M. C. Jacobs
Dir Development, D. J. Gustin
Cat mgr, D. B. Vermylen
Parent: Philip Morris Cos. Inc.
The media group includes:
Dir media srvcs, David K. Braun
Assoc dir media srvcs, D. J. Miceli
Agency: Grey, New York
Sr vp acct mgmt, Malcolm Mace
Exec vp media & prog srvcs, Alec Gerster
Hispanic Agency: Mendoza, Dillon & Associados, Inc.
Vp acct svcs, Fabiola Hernandez

151. DEWEY STEVENS WINE COOLER

Anheuser-Busch Cos.

	Media investments	
	1986	1985
Magazines	$ 557,900	—
Natl. Sun. mags.	—	—
Network tv	14,398,800	—
Spot tv	933,100	—
Network radio	1,953,600	—
Spot radio	1,376,281	—
Outdoor	5,100	—
Network cable	148,600	—
Newspapers	1,102,925	—
Total	**$20,476,306**	—

Marketing/brand management:
Vp-gm, Anheuser-Busch BeverageGroup, Terry Poulos
Dir brand mgmt, Mitch Meyers
Brand mgr, David English
Agency: DMB&B, St. Louis
Sr vp-acct grp dir, Todd Abrams
Vp-mgmt supr, Tim Rodgers
Acct supr, Terry Lucas
Sr vp-dir media srvcs, Jim Porcarelli
Assoc media dir, Debbie Bozsa
Media supr, Chris Vlahos

152. U.S. EXPRESS MAIL

U.S. Postal Service

	Media investments	
	1986	1985
Magazines	$ 5,192,300	$ 4,936,000
Natl. Sun. mags.	—	—
Network tv	—	4,151,000
Spot tv	14,682,000	7,989,000
Network radio	—	—
Spot radio	—	—
Outdoor	300	—
Network cable	—	284,000
Newspapers*	499,097	2,425,000
Total	**$20,373,697**	**$19,785,000**

*M&MD estimates

Marketing/brand management:
Dir mktg, Mike Spates
Dir adv, Gary Stevens
Agency: Young & Rubicam, N.Y.
Sr vp-mgmt supr, Ned Brown
Acct suprs: Dick Kebbon, Jack Powers,William McGrory, Kevin Rhodes
Vp-grp media supr, Beth Rockwood
Media supr, J. C. Ziegler

153. COCA-COLA CLASSIC

Coca-Cola USA

	Media investments	
	1986	1985
Magazines	$ 196,000	—
Natl. Sun. mags.	—	—
Network tv	6,626,400	$ 72,100
Spot tv	11,931,600	1,389,800
Network radio	4,500	—
Spot radio	472,450	—
Outdoor	204,900	—
Network cable	805,000	31,900
Newspapers*	95,071	39,685
Total	**$20,335,921**	**$1,533,485**

*M&MD estimates

Marketing/brand management:
Sr vp-mktg, John C. Reid
Grp mktg dir, William Schermerhorn
Brand mgr, Ina Beindorff
Assoc brand mgr, Nancy Gibson
Agency: McCann-Erickson, N.Y.
Exec vp-NY, John Dooner

Sr vp-grp mgmt dir, Ed Comiskey
Sr vp-mgmt rep, Marsha Badanes
Acct execs: Larry Glucs, Nancy Bamburger
Exec vp-worldwide media srvcs, Gordon Link
Exec vp-media dir, Ira Carlin
Vp-plng mgr, Stan Weinstein
Vp-assoc media dir, Kevin Mannion
Media grp head, Mike Delaney
Vp-worldwide coor, Ron Hatcher
Media supr, Vic Ruvolo
Media plnr, Jim Hommel
Worldwide coors: Sandra Familet, Chris Fay
Black agency: Burrell Advertising
Sr vp-gm, William Sharp
Vp-acct supr, Neva Richardson
Acct exec, Barbara Jackson
Vp-media dir, Nick Howse
Media supr, Michelle Garner
Hispanic agency: Castor Spanish International
President, Castor Fernandez
Acct exec, Bill Gonzalez

154. MILTON BRADLEY GAMES

Hasbro Inc.

(Not including separate ads for electronic games)

	Media investments 1986	1985
Magazines	$ 962,900	$ 1,417,000
Natl. Sun. mags.	33,500	61,000
Network tv	6,219,300	3,755,000
Spot tv	12,492,600	12,996,000
Network radio	—	—
Spot radio*	29,406	297,594
Outdoor	—	—
Network cable	433,600	309,000
Newspapers	31,815	63,000
Total	**$20,203,121**	**$18,898,594**

*M&MD estimates

Marketing/brand management:
Pres, George Ditomassi
Sr vp sls, E. David Wilson
Sr vp mktg, Larry Bernstein
Sr vp r&d, Michael Meyers
Vp adv & pub rel, George Merritt
Parent: Hasbro
Agency: Griffin Bacal, New York
Pres, Tom Griffin
Exec vp client srvcs, Paul Kurnit
Exec vp-dir crtv srvcs, Joe Bacal
Exec vp-dir media srvcs, Arthur Heller
Sr vp-crtv dir, Leonard Leokum
Vp-mgmt supr, Gordon Hunt

155. DODGE DEALERS ASSOCIATION FRANCHISE

Chrysler Corp.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$16,042,000	$13,677,400
Network radio	—	—
Spot radio	3,061,642	3,909,893
Outdoor	—	81,300
Network cable	—	—
Newspapers	1,096,265	1,451,234
Total	**$20,199,907**	**$19,119,827**

Marketing/brand management:
Vp mktg, Joseph A. Campana
Mgr dealer assoc adv, Ken Laurence
Gen mktg mgr, Charles B. Kitz
Agency: BBDO
Sr vp-mgmt supr, David Jones

156. FTD

Florists' Transworld Delivery Association

	Media investments 1986	1985
Magazines	$ 1,279,000	$ 1,993,000
Natl. Sun. mags.	304,500	206,000
Network tv	8,463,500	6,846,000
Spot tv	74,100	71,000
Network radio	6,384,700	5,707,000
Spot radio	—	—
Outdoor	5,700	112,000
Network cable	63,600	104,000
Newspapers	3,376,676	2,689,000
Total	**$19,951,776**	**$17,728,000**

Marketing/brand management:
Grp dir bus srvcs, Michael Michaud
Dir consumer mktg, Robert Etter
Agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.
Sr vp-mgmt supr, Harold J. Hogan

"Hey, Marge, meet the Huxleys. They're NOT from Orange County!"

One quarter of a million (244,900) Orange County residents traveled overseas last year. (Simmons-Scarborough 1985 Market Study)

THE ORANGE COUNTY
Register
METROGROUP

The leading medium in Southern California's richest market. Represented by CWO&O

Vp-grp acct supr, Mike Valant
Acct supr, Terri Anderson
Sr vp-dir media srvcs, George M. Rogers, Jr.
Vp-grp media dir, Marty Choinski

157. HONDA DEALERS ASSOCIATION FRANCHISE

American Honda Motor Co.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$19,222,900	$10,732,300
Network radio	—	—
Spot Radio	30,163	—
Outdoor	900	36,900
Network cable	—	—
Newspapers	625,846	593,641
Total	**$19,879,809**	**$11,362,841**

Marketing/brand management:
Sr vp-auto fld sales, Jack Billmyer
Sr vp-auto sales operations, Tom Elliott
Mgr-auto adv, Eric Conn
Asst mgrs-auto adv, Mike Dillon, Bill Young
Exec vp, K. Amemiya
Agencies: Various

158. CHEVROLET CAVALIER

Chevrolet Motors Division

	Media investments 1986	1985
Magazines	$ 3,880,600	$ 2,247,000
Natl. Sun. mags.	—	—
Network tv	11,447,800	16,082,000
Spot tv	3,451,600	5,064,000
Network radio	279,300	40,000
Spot Radio	—	—
Outdoor	34,500	25,000
Network cable	369,900	344,000
Newspapers	334,167	130,000
Total	**$19,797,867**	**$23,392,000**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Fld mktg mgr, Edd K. Roggenkamp
Asst gen sls mgr, M. H. Erdman
Mktg mgr passenger cars, Thomas R. Mason
Mgr passenger car adv, Danielle K. Colliver
Parent: General Motors Company
Agency: Campbell-Ewald, Detroit
Exec vp-acct dir, Robert H. Schirmer
Grp sr vp-grp mgmt suprs: Donald D. Williams (cars), Anthony J. Hopp (regional)
Vp-acct supr, Michael Ryan
Exec vp-media dir, Louis M. Schultz
Sr vp-assoc media dir, James Birchfield
Sr vp-dir natl bdcst buying, Judy Sawyer
Sr vp-dir lcl mkt media, Robert Mitchell
Vp-media suprs: Barb Munro, Jack Winkleseth

159. PEOPLE MAGAZINE CIRCULATION

Time, Inc.

	Media investments 1986	1985
Magazines	$ 377,000	$ 665,000
Natl. Sun. mags.	—	—
Network tv	4,222,000	2,831,000
Spot tv	13,072,200	13,979,000
Network radio	—	—
Spot radio	14,586	—
Outdoor	—	—
Network cable	913,200	468,000
Newspapers	1,114,436	1,017,000
Total	**$19,713,422**	**$18,960,000**

Marketing/brand management:
Publr, Donald Elliman
Dir mktg & prom, Jim Donahue
Dir mktg research srvcs, Barry Perrin
Agency: Holland & Callaway, N.Y.
Chmn & copywriter, Ron Holland
Pres, Jim Callaway
Prdcr, Russ Kaiser

160. NATIONAL CAR RENTAL SYSTEM, INC.

	Media investments 1986	1985
Magazines	$3,667,400	$1,370,400
Natl. Sun. mags.	23,000	—
Network tv	3,009,100	$3,646,400
Spot tv	8,651,600	7,181,400
Network radio	140,300	7,500
Spot radio	62,167	67,945
Outdoor	24,900	57,900
Network cable	512,200	326,100
Newspapers	3,552,251	3,040,323
Total	**$19,642,918**	**$15,697,968**

Marketing/brand management:
Vp mktg & adv, J. Sullivan
Adv mgr, John Hendrickson
Parent: Household International
Agencies: Chiat/Day, N.Y.
Vp media dir, Bob Zach
Media supr, Rob Pellizzi
Media plnr, Lisa Clayman
Damart Advertising Association
Dir sls, Judy Dodson (yellow pages)

161. JACK-IN-THE-BOX RESTAURANTS

Foodmaker Inc.

	Media investments 1986	1985
Magazines	—	$ 89,400
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$15,963,100	12,556,400
Network radio	—	—
Spot radio	3,625,105	4,863,609
Outdoor	33,000	589,300
Network cable	—	—
Newspapers	—	—
Total	**$19,621,205**	**18,098,709**

Marketing/brand management:
Corp vp-mktg, Mohammad Iqbal
Dir mktg, John Farrar
Dir sales mktg & prom, M. Sick
Dir prod mktg, Paul Haack
Dir mkt res, Bert Kohn
Agency: Cohen/Johnson
Vp-acct grp dir, Tom Ruffino
Acct suprs: Meade Wildrick, Vicki Rittermal

162. K MART MISCELLANEOUS BRANDS

[multi-product ads not fitting in other LNA categories]

K mart Corp.

	Media investments 1986	1985
Magazines	$ 5,896,400	$ 5,234,000
Natl. Sun. mags.	—	—
Network tv	4,000,100	11,231,000
Spot tv	4,075,000	4,704,000
Network radio	5,564,200	3,423,000
Spot radio	—	—
Outdoor	5,800	44,000
Network cable	16,200	101,000
Newspapers	(No data)	(No data)
Total	**$19,557,700**	**$24,737,000**

(continued)

Marketing/brand management:
Vp store plng, R. R. Dejaeghere
Sales, N. Roberts
Dir mktg, R. A. Mulligan
Dir crtv adv, B. Di Bartolomeo
Agency: Ross Roy, Detroit
Exec vp-dir retl oper, Peter C. Vetowich
Sr vp-grp mngt supr, Byron K. Shaffer
Vp-grp mngt supr, Roger Sherman
Vp-acct supr, Lawrence R. Haddock
Vp-acct supr, Lissa K. Papizan
Vp-acct supr, Jon A. Shidler
Sr vp dir mktg srvcs, Gerald N. Moody
Vp-grp media dirs: Alfred A. Duz (print), Patricia Cuda (bdcst)
Media plnr, Ellen Wright

163. HIGHLAND HOUSEHOLD PRODUCTS

Highland Superstores, Inc.

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$18,830,200	$15,988,400
Network radio	—	—
Spot radio	716,840	—
Outdoor	—	—
Network cable	—	—
Newspapers	(No data)	(No data)
Total	**$19,547,040**	**$15,988,400**

Marketing/brand management:
Dir adv & mktg, Frank Ferriolo
Asst adv dir, Marge Taylor-Wehr
Dir special events, Ed Rossman
Dir research & neg, Claudia Vala-Somand
Media dir, Marianne Barrons
Agency: W.B. Doner
Acct exec, Jeff Hale
Asst acct exec, Lynne Goswick
Mgmt supr, Ross Lerner
Print advertising: In-house

There are no imported beers in this year's ranking.

164. SUN COUNTRY WINE COOLER

Canandaigua Wine Co.

	Media investments 1986	1985
Magazines	$ 292,300	$ 67,200
Natl. Sun. mags.	—	—
Network tv	$12,670,500	$5,120,300
Spot tv	2,618,500	1,103,800
Network radio	300,900	684,300
Spot radio	—	107,783
Outdoor	—	—
Network cable	3,628,700	534,700
Newspapers	15,156	18,925
Total	**$19,526,056**	**$7,637,008**

Marketing/brand management:
Mktg dir, Howard R. Jacobson
Brand mgr, Gerry Caro
Vp natl accts, Joseph McDonald
Vp strategic plng, Robert Huntington
Agency: Towne, Silverstein, Rotter, Inc. N.Y.
Acct supr, Steven Stetzer
Acct exec, Mark Ordover
Vp media, Michael Mulieri
Media supr, Stan Paitson

165. CAMPBELL'S CANNED SOUPS

Campbell Soup Co.

	Media investments 1986	1985
Magazines	$ 2,594,000	$ 2,009,000
Natl. Sun. mags.	—	495,000
Network tv	12,268,800	21,112,000
Spot tv	296,400	2,013,000
Network radio	3,702,900	4,655,000
Spot radio	—	—
Outdoor	45,400	—
Network cable	555,400	474,000
Newspapers*	22,757	1,537,000
Total	**$19,485,657**	**$32,295,000**

*M&MD estimates

Marketing/brand management:
Vp-grp gm, Dan Santangelo
Business dir, Don Goerke
Mktg dirs: Larry Carpenter, Betty Cronin
Sr mktg mgrs: Bob Steenrod, Dean Bair
Mktg mgr, Lisa Lynn
Dir media srvcs, George Mahrlig
Agencies: CSC Advertising, Camden, N.J. (in-house)
Managing dir, Paul Mulcahy
Backer & Spielvogel, N.Y.
Exec vp-coo, G. Robert Holmen
Sr vp-grp mgmt rep, Joseph Prior
Vp-mgmt supr, James Keller
Vp-acct dir: Kathy Moreau
Acct suprs: King Lai, Nancy Adler
Sr vp media, Jay Schoenfeld
Media dir, Ann Meschery
Acct execs: Matt Sawyer, Suzanne Brisandine
Media supr, Lisa Tronick

166. ADA GENERAL PROMOTION

American Dairy Association

	Media investments 1986	1985
Magazines	$ 914,600	$ 161,600
Natl. Sun. mags.	654,000	—
Network tv	$15,986,100	7,842,400
Spot tv	905,200	1,050,900
Network radio	—	—
Spot radio	—	4,375
Outdoor	437,900	18,400
Network cable	365,100	411,200
Newspapers*	101,277	19,869
Total	**$19,364,177**	**$9,508,744**

*M&MD estimates

Marketing/brand management:
Sr vp-adv & mktg srvcs, United Dairy Assn., and pres, American Dairy Assn., Joseph B. Kelsch
Vp-mktg plng, Stephen A. Dohrmann
Vp-mktg srvcs, Grover B. Simpson
Dir-adv srvcs, Donna A. Arcus
Mktg mgr-manufactured prods, Amy J. Truitt
Agency: DMB&B Chicago
Sr vp-mgmt supr, Ben Bishop
Vp-acct grp suprs: Bob Meuser, Dave Urbaniak, Mike Leonhart
Acct suprs: Brad English, Andrea Dichter
Sr vp-media srvcs, Joe Zeller
Vp-assoc media dir, Willard Hemsworth

Full sources for this year's Top 200 appear on page 115.

167. FORD THUNDERBIRD CAR

Ford Motor Co.

	Media investments	
	1986	1985
Magazines	$ 8,509,200	$11,256,000
Natl. Sun. mags.	—	—
Network tv	9,735,600	20,288,000
Spot tv	661,400	1,096,000
Network radio	—	—
Spot radio	—	—
Outdoor	1,900	365,000
Network cable	343,800	518,000
Newspapers	79,784	368,000
Total	$19,331,684	$33,891,000

Marketing/brand management:
Ford Division:
Vp-gm, R.L. Rewey
Gen mktg mgr, R.H. Roberts
Adv mgr, J.B. Vanderzee
Car ad mgr, R. J. Gillooly
Dealer ad mgr, H.S. Wilson
Agency: J. Walter Thompson, Detroit, MI
Exec vp-gen mgr, Peter Schweitzer
Sr vp-acct dir, Chuck Balestrino
Sr vp-creat dir, Richard Howting
Sr vp-dir mktg srvcs, Robert Gamble
Sr vp-bdcst neg, Ron Fredrick
Sr vp-media dir, Tom Healey
Vp-car & truck grp media dir, Paul Hunt
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Alfredo Jarrin
Acct supr, Andrea Doren
Media dir, Carlos Cintron
Acct exec, Ivan Pichardo
Black agency: Burrell Advertising
Vp-mgmt supr, Donald A. Coleman
Acct exec, Esther Terrell
Vp-media dir, Nick Howse
Assoc media dir, Zeline Kelly
Media plnr, Mary Johnny

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- Traffic • Graphic Arts
- Marketing
- Market Research

For information contact:
Karen Katz, VP/Principal

FORUM
PERSONNEL INC

342 Madison Ave., New York, N Y 10017
(212) 687-4050

168. TRIDENT SUGARLESS GUM

Warner Lambert Co.

	Media investments	
	1986	1985
Magazines	$ 2,331,700	$1,039,600
Natl. Sun. mags.	—	—
Network tv	8,348,300	6,272,200
Spot tv	3,515,500	4,998,300
Network radio	4,455,300	2,825,300
Spot radio	39,312	—
Outdoor	—	—
Network cable	537,800	402,300
Newspapers	—	—
Total	$19,227,912	$15,537,700

Marketing/brand management:
Vp prod mgmt, Robert Clouston
Ctgy dir, Steven Mojo
Sr prod mgr, Robert Ehrlich
Agency: J. Walter Thompson, N.Y.
Sr vp grp dir, Jack Morrissey
Vp acct dir, Adele Finaly
Acct supr, Peter Mackey
Acct exec, Matthew Asinari
Exec vp U.S. dir media svce, Richard Kostyra
Sr vp dir media plng, John Gray
Vp media dir, Ronnie Beason
Media supr, Ann Cleveland
Media plnr, Kelly Lowman

169. OIL OF OLAY LOTION

Richardson-Vicks Inc.

	Media investments	
	1986	1985
Magazines	$ 3,705,500	$ 3,128,000
Natl. Sun. mags.	—	—
Network tv	12,846,800	12,333,000
Spot tv	2,651,800	6,083,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	—	318,000
Newspapers	—	150,000
Total	$19,204,100	$22,012,000

Marketing/brand management:
Mktg dir skin care prods, Mary Jaensch
Dir media, Irwin Fleischer
Brand mgr, Gary Cooper
Parent: Procter & Gamble Co.
Agency: Wells, Rich, Greene, N.Y.
Corp media dir, Bob Geis
Vp-media grp hd, Pat Casa

170. FRANKLIN MINT PORCELAIN COLLECTION

The Franklin Mint

	Media investments	
	1986	1985
Magazines	$ 9,601,700	$ 6,849,600
Natl. Sun. mags.	6,038,500	3,824,200
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	—	—
Newspapers	3,530,652	2,989,172
Total	$19,170,852	$13,662,972

Marketing/brand management:
Vp adv, Thomas Durovsik
Parent: American Protection Industries
Agency: In-house
Vp media mgmt, Alan Beer

Eleven domestic beers are in the 1986 Top 200.

171. **VISA CHARGE CARD**

Visa USA Inc.

	Media investments 1986	1985
Magazines	$ 3,646,000	$ 1,794,200
Natl. Sun. mags.	—	—
Network tv	12,390,200	10,672,000
Spot tv	2,340,900	1,468,400
Network radio	—	786,500
Spot radio	3,682	204,331
Outdoor	6,000	85,700
Network cable	534,600	217,200
Newspapers	(No data)	(No data)
Total	**$18,921,382**	**$15,228,331**

Marketing/brand management:
Vp mktg comm, Janet Soderstrom
Sr vp mktg dir, John H. Bennett
Adv mgr, David L. Roberts
Special events mgr, Christine Koveal
Agency: BBDO, N.Y.
Exec vp sr mgmt rep, Gary De Paulo
Sr vp mgmt supr, Bill Katz
Acct supr, Rich Kronengold
Exec vp media svces, Arnie Semsky
Sr vp media plng, Mike Drake
Sr vp natl tv byng, Steve Grubbs
Sr vp assoc media dir, Mike Hedge
Media supr, Ursula Granone
Media plnr, James Cammarata

172. **CONTOUR AUTOMATIC ADJUSTABLE CHAIR**

Craftmatic/Contour Organization Inc.

	Media investments 1986	1985
Magazines	$ 33,100	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	18,805,400	$12,252,600
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	38,400	—
Newspapers	—	—
Total	**$18,876,900**	**$12,252,600**

Marketing/brand management:
Vp-mktg, Richard Zakroff
Agency: EAK Advertising (in-house)
Sr vp-grp dir, Richard Zakroff
Mgmt/admstr, Edith Lever
Prod mgr, Marie Gillingham

173. **AT&T TELEPHONES**

AT&T Consumer Products Division

	Media investments 1986	1985
Magazines	$ 1,762,100	$ 2,652,000
Natl. Sun. mags.	—	415,000
Network tv	12,521,000	14,181,000
Spot tv	2,449,400	469,000
Network radio	—	621,000
Spot Radio	68,507	—
Outdoor	—	6,000
Network cable	321,700	—
Newspapers	1,722,560	4,992,000
Total	**$18,845,267**	**$23,336,000**

Marketing/brand management:
Adv dir, A. L. Blitch
District mgr, D.B. Dubbs
Staff mgrs, N. Contess, E.K. Haley
Agency: NW Ayer, New York
Sr vp-exec acct dir, R. Wooden
Sr vp-mgmt supr, L. Rubin
Goldfarb & Hoff
(co-op program)
Pres, S. Hoff

174. **FORD CORPORATE**

Ford Motor Co.

	Media investments 1986	1985
Magazines	$ 1,093,800	$ 206,000
Natl. Sun. mags.	—	—
Network tv	11,286,400	29,765,000
Spot tv	400,500	342,000
Network radio	5,728,500	1,890,000
Spot radio	9,274	605,440
Outdoor	78,500	33,000
Network cable	217,200	1,719,000
Newspapers	16,428	3,371,000
Total	**$18,830,602**	**$37,931,440**

Marketing/brand management:
Exec dir mktg staff, J. G. O'Connor
Dir adv & mktg strategy, D. T. McClure
Adv & comm mgr, F.R. Wuellner
Media supr, H.M. Meyers
Corp adv supr, H.H. Phillips
Agency: Wells, Rich, Greene, Dearborn, Mich.
Sr vp-grp dir, James B. Lawrence
Vp-mgmt supr, Victor Emmanuele (N.Y.)
Vp-acct supr, Rober Swann (NY)
Sr acct exec, Philip Alandt
Vp-media dir, Arthur Edelstein

175. **ERA PLUS LAUNDRY DETERGENT**

The Procter & Gamble Co.

	Media investments 1986	1985
Magazines	—	$ 2,448,000
Natl. Sun. mags.	—	—
Network tv	$ 9,837,600	7,399,000
Spot tv	$8,222,900	7,057,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	694,700	433,000
Newspapers	—	62,000
Total	**$18,755,200**	**$17,399,000**

Marketing/brand management:
Vp, B. L. Byrnes
Agency: Leo Burnett, Chicago
Sr acct dir, Mary Bishop
Acct dir, Tom Dickson
(continued)

Metro Harrisburg

is the nation's 82nd largest market. But the market ranks much higher in all the important indicators—retail sales, food sales, EBI and unemployment (currently at a decade low). Find out more about reaching Metro Harrisburg spenders by asking us for a copy of our new Patriot-News market book. Phone or write Robert Cobaugh, national advertising manager (717-255-8203), or any office of Newhouse Newspapers Sales.

Harrisburg Patriot-News

Represented by Newhouse Newspapers

Acct exec, Lisa Cox
Exec vp media srvcs div, Willard Hadlock
Media dir, Robert Kirkpatrick

176. COLGATE REGULAR & GEL TOOTHPASTE

[joint product ads]

Colgate-Palmolive Co.

	Media investments 1986	1985
Magazines	$ 1,844,100	$ 2,430,000
Natl. Sun. mags.	—	86,000
Network tv	14,401,100	20,202,000
Spot tv	1,584,700	4,993,000
Network radio	513,200	—
Spot Radio	—	—
Outdoor	—	—
Network cable	275,400	623,000
Newspapers	28,754	122,000
Total	**$18,647,254**	**$28,456,000**

Marketing/brand management:
Vp-gm, A. C. Shepard
Mktg dir, D. Meyer (oral care)
Category mgr (oral care), J. Haber
Sr prod mgr, D. Basta
Corp dir media, Roger Godbeer
Mgr media plns, Steve Freilich
Agency: Young & Rubicam, N.Y.
Vp-grp supr, Sue Chamberlin
Media supr, E. O'Donnell

177. ANACIN 3 TABLETS

Whitehall Laboratories

	Media investments 1986	1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$17,639,200	$12,821,800
Spot tv	545,500	768,600
Network radio	—	—
Spot Radio	—	—
Outdoor	—	—
Network cable	462,100	141,500
Newspapers	—	—
Total	**$18,646,800**	**$13,731,900**

Marketing/brand management:
Vp mktg, Peter Mayer
Grp prod mgr, Art Lawrence
Prod mgr: Candace Coberly
Adv dir, Steven Palmisano
Asst prod mgr, Nancy Kalkin
Parent: American Home Products
Agency: Kornhauser & Calene
Sr vp-media dir, Gary Faver
Exec vp-acct dir, Alan Yarnoff
Sr vp-acct supr, Mike Detels
Acct exec, Rick Joyce

There are no imported beers in this year's ranking.

178. HEAD & SHOULDERS SHAMPOO

The Procter & Gamble Co.

	Media investments 1986	1985
Magazines	$ 4,103,600	$ 2,629,000
Natl. Sun. mags.	—	—
Network tv	8,838,100	8,222,000
Spot tv	3,950,600	3,827,000
Network radio	—	—
Spot radio	148,195	223,084
Outdoor	—	—
Network cable	1,572,900	1,854,000
Newspapers	—	—
Total	**$18,613,395**	**$16,755,084**

Marketing/brand management:
Div mgr, W. B. Connell
Agency: Tatham-Laird & Kudner, Chicago
Sr ptner-grp acct dir, Bob Hielscher
Mgmt supr, Ilene Block
Acct exec, Kerri Shull
Grp media dir, Eileen McKnight
Media supr, Catherine McTavish

179. CHEVROLET S-10 COMPACT TRUCK

Chevrolet Motors Division

	Media investments 1986	1985
Magazines	$ 5,222,400	$ 2,733,700
Natl. Sun. mags.	584,300	—
Network tv	8,314,600	2,874,200
Spot tv	4,022,100	1,329,900
Network radio	3,000	—
Spot radio	—	—
Outdoor	13,200	95,100
Network cable	398,600	246,300
Newspapers	—	—
Total	**$18,558,200**	**$7,278,200**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Fld mktg mgr, Edd K. Roggenkamp III
Asst gen sls mgr, Michael H. Erdman
Mktg mgr-trucks, John M. Kelley
Mgr truck adv, Thomas P. Cutler

Parent: General Motors Corp.
Agency: Campbell-Ewald, Detroit
Exec vp-client srvc dir, Robert H. Schirmer
Sr vp, Dennis G. Connaughton
Grp sr vp-grp mgmt suprs: John A. Barczyk (trucks); Anthony J. Hopp (area mktg)
Exec vp-media srvcs dir, Louis M. Schultz
Sr vp-assoc media dirs: James T. Birchfield (natl); Ronald D. Geskey (area mktg)
Sr vp-mgr, Barbara A. Munro
Sr vp-dir natl brdcst media, Judith E. Sawyer
Sr vp-mgr lcl mkt media, Robert I. Mitchell II
Vp-media suprs (area mktg): Ellis J. Veech, John A. Winkelseth

180. CRAFTMATIC AUTO ADJUSTABLE BED

Craftmatic/Contour Organization Inc.

	Media investments 1986	1985
Magazines	$ 126,600	$ 144,900
Natl. Sun. mags.	—	21,200
Network tv	4,000	17,600
Spot tv	18,334,100	10,723,700
Network radio	36,700	—
Spot Radio	—	—
Outdoor	—	—
Network cable	31,000	59,100
Newspapers	—	—
Total	**$18,532,400**	**$10,966,500**

Marketing/brand management:
Vp-mktg, Richard Zakroff
Agency: EAK Advertising (in-house)
Sr vp-grp dir, Richard Zakroff
Mgmt/admstr, Edith Lever
Prod mgr, Marie Gillingham

181. BOUNCE FABRIC SOFTENER

Procter & Gamble Co.

	Media investments	
	1986	1985
Magazines	$ 670,100	160,400
Natl. Sun. mags.	—	—
Network tv	11,301,000	10,005,300
Spot tv	5,876,900	4,736,800
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	607,000	696,300
Newspapers	—	—
Total	**$18,455,000**	**15,598,800**

Marketing/brand management:
Vp-bar soap & household clng prods, Charles C. Carroll
Agency:DMB&B, New York
Sr vp-grp dir, Ed Lebar
Vp-acct supr, Michael Dabrowski
Acct exec, Katy Persky
Sr vp-media dir, Rich Hamilton
Vp-assoc media dir, Mark McLaughlin

182. NEW YORK TELEPHONE

Nynex

	Media investments	
	1986	1985
Magazines	$ 1,754,100	$ 1,527,000
Natl. Sun. Mags.	749,600	561,500
Network tv	—	—
Spot tv	7,337,200	4,547,100
Network radio	—	—
Spot radio	315,684	147,299
Outdoor	—	—
Network cable	—	—
Newspapers	8,179,500	8,041,623
Total	**$18,366,084**	**$14,824,522**

Marketing/brand management:
Vp reg plng mktg, J.N. Walsh
Asst vp adv, Emery Westfall
Div staff mgr adv, Louis Kruh
Agencies: Young & Rubicam N.Y.
Acct supr, Mary Ellen Kenny
Conill Advertising N.Y.
Pres, Rafael Connill
Exec vp, Alicia Connill

183. DENNY'S RESTAURANTS

Denny's, Inc.

	Media investments	
	1986	1985
Magazines	—	$ 52,000
Natl. Sun. mags.	—	—
Network tv	9,782,600	10,508,000
Spot tv	8,380,300	12,466,000
Network radio	—	25,000
Spot Radio	—	—
Outdoor	121,800	126,000
Network cable	—	—
Newspapers	(No data)	(No data)
Total	**$18,284,700**	**$23,177,000**

Marketing/brand management:
Sr vp mktg, Barry Krantz
Vp mktg, Keith Frohreich
Dir fld mktg, Susan Henderson
Pres restaurant div, David Bixler
Pres-ceo, Vern Curtis
Agency: Foote, Cone & Belding, Los Angeles
Sr vp-grp mgmt dir, Larry Jones
Vp-mgmt dir, Fred Walti
Acct dir, Keith Kaplan
Acct exec, Alice Gold
Sr vp-media, Colleen McCloud

184. DODGE SHADOW

Chrysler Motors

	Media investments	
	1986	1985
Magazines	$ 6,119,600	—
Natl. Sun. mags.	—	—
Network tv	10,144,200	—
Spot tv	1,451,200	—
Network radio	—	—
Spot radio	—	—
Outdoor	11,000	—
Network cable	280,100	—
Newspapers	191,480	—
Total	**$18,197,580**	—

Marketing/brand management:
Vp-mktg, Joseph A. Campana
Mktg mgr, Charles B. Kitz
Adv mgr, Raymond D. Dreyfus
Agency: BBDO, Southfield, Mich.
Exec vp-gm, Bill Kelly
Sr vp-grp mgmt supr, Bill Oswald
Sr vp-mgmt supr, Harry Grusche
Vp-acct suprs: Gordon Berg, Mark Caroselli, Keith Mandish
Sr vp-exec media dir, Gene McCarthy
Vp-media dir, Ted Zahrfeld

185. CHEERIOS CEREAL

General Mills, Inc.

	Media investments	
	1986	1985
Magazines	$ 131,660	$ 30,000
Natl. Sun. mags.	—	—
Network tv	6,105,600	7,172,000
Spot tv	10,879,200	8,210,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	1,063,100	1,014,000
Newspapers	1,229	10,000
Total	**$18,180,789**	**$16,436,000**

Marketing/brand management:
Mktg dir, Chap Colucci
Prod mgr, Ken Powell
Adv srvcs dir, Robert J. Blake
Media srvcs dir, Hal Nitch
Media mgr, Lon W. Bencini
Agency: DFS Dorland, New York
Exec vp-mgmt dir, E. F. Bunn
Sr vp-mgmt dir, S. Sims
Vp-mgmt supr, Michael Burns
Exec vp-dir media, Allen Banks
Sr vp-sr assoc media dir, Jack Irving
Vp-assoc media dir, R. Greenberg

186. STAYFREE SILHOUETTE MAXI-PADS

Personal Products Company

	Media investments	
	1986	1985
Magazines	$ 1,236,700	$ 1,969,800
Natl. Sun. mags.	—	—
Network tv	16,607,300	6,465,200
Spot tv	7,500	19,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	190,900	—
Newspapers	20,363	52,590
Total	**$18,062,763**	**$8,506,590**

Marketing/brand management:
Pres, J. B. Ziegler
Chm, M. R. Hayes
Vp info & control, R. J. Knorr
Parent: Johnson & Johnson
Agency: Saatchi & Saatchi, N.Y.
Sr vp grp dir, David Basch
Vp acct supr, Estrea Dworkin
Asst acct exec, Amy Goldman
Vp assoc media dir, Marcie Kazdin
Media supr, Emily Ross

Media plnr, Lorraine Lazarus
Hispanic agency: Mendoza Dillon & Associados Inc.
Vp acct svces, Robert L. Howells

187. CASCADE DISHWASHER DETERGENT

The Procter & Gamble Co.

	Media investments 1986	1985
Magazines	$ 3,969,500	$ 3,157,300
Natl. Sun. mags.	—	—
Network tv	11,730,700	9,100,900
Spot tv	1,703,500	3,328,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	637,400	354,400
Newspapers	—	—
Total	**$18,041,100**	**$15,940,600**

Marketing/brand management:
Vp, B.L. Byrnes
Agency: Saatchi & Saatchi Compton
Exec vp-mgmt dir, Paula Forman
Mgmt supr, Mary Haderlein
Acct exec, David Olsen

188. HONDA MOTORCYCLES

American Honda Motor Co.

	Media investments 1986	1985
Magazines	$ 1,789,600	$ 2,496,700
Natl. Sun. mags.	—	—
Network tv	8,778,600	4,136,300
Spot tv	3,890,100	6,058,400
Network radio	884,100	169,600
Spot radio	270,665	3,053,834
Outdoor	27,400	22,200
Network cable	1,981,000	1,667,200
Newspapers	394,626	325,538
Total	**$16,016,091**	**$17,929,772**

Marketing/brand management:
Natl adv mgr-motorcycle div, Neil Leventhal
Asst adv mgr-motorcycle div, Wayne Toyota
Agency: Dailey & Associates, Los Angeles
Vp-mgmt supr, Dennis Kannegae
Vp-acct supr, Dean Thompson
Sr acct exec, Lynne MacQueen
Acct exec, Daniel Fujimori

189. U.S. ARMED FORCES RECRUITING

Joint Recruiting Advertising Program

	Media investments 1986	1985
Magazines	—	$ 1,000
Natl. Sun. mags.	—	—
Network tv	15,898,100	18,771,000
Spot tv	9,700	—
Network radio	—	—
Spot radio	—	—
Outdoor	3,400	25,000
Network cable	2,079,700	972,000
Newspapers	—	—
Total	**$17,990,900**	**$19,769,000**

Marketing/brand management:
Dir joint recruiting adv prog, Lynn Lucchetti
Agency: Grey, New York
Exec vp-grp dir, Robert A. Ravitz
Vp-acct supr, Garry Niebauer
Acct suprs: Leonard Susman, David Stanley
Exec vp media & prog srvcs, Alec Gerster

190. WRIGLEY'S EXTRA SUGAR FREE GUM

Wm. Wrigley Jr. Co.

	Media investments 1986	1985
Magazines	$ 1,533,300	$ 1,010,100
Natl. Sun. mags.	—	—
Network tv	11,605,200	10,952,300
Spot tv	3,761,700	3,298,500
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Network cable	1,024,900	645,900
Newspapers	—	—
Total	**$17,925,100**	**$15,906,800**

Marketing/brand management:
Exec vp mktg, Ronald O. Cox
Mktg dir, Susan Sherry
Agency: BBDO Chicago
Exec vp, Andrew Donchak
Vp acct supr, Tonise Hayden
Sr acct exec, Kathi Hudson
Sr vp media dir, Robert Garrison
Vp dir plng, Kathy Segal
Vp AMD, Deb Nevin

191. VOLKSWAGEN PASSENGER CARS

Volkswagenwerk AG

	Media investments 1986	1985
Magazines	$ 2,773,800	$ 862,300
Natl. Sun. mags.	—	—
Network tv	8,861,600	2,618,000
Spot tv	3,443,500	1,239,400
Network radio	—	—
Spot radio	—	—
Outdoor	—	131,000
Network cable	199,200	6,000
Newspapers*	2,623,894	2,463,121
Total	**$17,901,994**	**$7,319,821**

*M&MD estimates

Marketing/brand management:
VW AG.:
Vp, James R. Fuller
Mgr mktg rep, Stuart Hamilton
Dir mktg, Richard Marcy
Mgr adv, William Gelgota
Mgr merch, Harry Hartman
Agency: DDB/Needham Detroit
Acct Execs:
Group sr vp VW, John Palmer
VW regional supr, Don Ward
Sr acct exec, Jack Callahan
Vp forward planner, Ken Campbell
Natl Adv:
Sr vp media dir, Robert A. Mancini
Vp dir VW plng, Craig Yateman
Media supr VW, Katie Kiyo
Media plnr VW, Kara Mullen
Regl Adv:
Mgr regl plng VW, Betsy Chase
Media supr, TMA central reg, Beth Chaklos
TMA budget & plns admin, Patty Buccellato

192. TONKA TOYS

Tonka Corp.

	Media investments 1986	1985
Magazines	$ 26,500	—
Natl. Sun. mags.	—	—
Network tv	13,168,300	$ 9,808,000
Spot tv	3,596,100	7,199,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	20,000
Network cable	1,064,800	776,000
Newspapers	15,414	15,000
Total	**$17,871,114**	**$17,818,000**

Marketing/brand management:
Vp mktg, Ray McDonald
Dir boys' toys, Mark Ludke
Agency: Jordan, Manning, Case, Taylor, & McGrath, N.Y.
Vp-mgmt supr, Rob Moorman
Acct supr, Ellen Fields
Acct execs: Lynne Keefer, Annika Paulsson
Acct assts: Paul Sorensen, Laura MacLennan
Media dir, Sylvia Rodriguez
Media supr, Sal Sannino
Assoc media dir, Joe Siano

193. CHEVROLET CELEBRITY CAR

Chevrolet Motors Division

(Not including Wagons)

	Media investments 1986	1985
Magazines	$ 3,647,000	$ 4,091,000
Natl. Sun. mags.	294,900	—
Network tv	9,241,300	11,277,000
Spot tv	3,131,700	2,503,000
Network radio	810,500	—
Spot Radio	—	—
Outdoor	10,600	102,000
Network cable	276,900	196,000
Newspapers	408,755	—
Total	**$17,821,655**	**$18,169,000**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Fld mktg mgr, Edd K. Roggenkamp III
Asst gen sls mgr, M. H. Erdman
Mktg mgr passenger cars, Thomas R. Mason
Mgr passenger car adv, Danielle K. Colliver
Parent: General Motors Corp.
Agency: Campbell-Ewald, Detroit
Exec vp-acct dir, Robert H. Schirmer
Grp sr vp-grp mgmt suprs: Donald D. Williams (cars), Anthony J. Hopp (regional)
Vp-acct supr, Michael Ryan
Exec vp-media dir, Louis M. Schultz
Sr vp-assoc media dir, James T. Birchfield
Sr vp-dir natl bdcst buying, Judy Sawyer
Sr vp-dir lcl mkt media, Robert Mitchell
Vp-media suprs: Barb Munro, Jack Winkleseth

194. HERSHEY'S CANDY BARS

Hershey Foods Corp.

	Media investments 1986	1985
Magazines	$ 1,068,100	$ 2,664,000
Natl. Sun. mags.	—	—
Network tv	10,948,000	11,472,000
Spot tv	5,043,000	3,169,000
Network radio	—	1,023,000
Spot radio	—	257,317
Outdoor	—	—
Network cable	691,500	225,000
Newspapers	—	32,000
Total	**$17,750,600**	**$18,842,317**

Marketing/brand management:
Mktg vp, Jay Carr
Dir mktg, Michael Holmes
Dir new bus dev, A. J. Pingitore Jr.
Mgr pub info, Carl Andrews
Agencies: DDB/Needham Worldwide, New York
Pres, Peter Falcone
Exec vp, Peter Tate
Exec vp-media dir, Page Thompson
Vp-grp plng dir, Steve Caputo
Vp-assoc plng dir, Elizabeth Lubarsky
Ogilvy & Mather, New York
Sr vp-grp dir, Michael Vaughn
Sr vp-assoc media dir, Tony Nacinovich
Vp-asst media dirs: Kristina Allen, David Leveton
Asst media dir, Lisa Gallant

195. DODGE LANCER CAR

Chrysler Corp.

	Media investments 1986	1985
Magazines	$ 7,317,400	$7,402,000
Natl. Sun. mags.	126,700	123,000
Network tv	8,499,800	12,773,000
Spot tv	1,185,800	2,289,000
Network radio	—	—
Spot radio	—	—
Outdoor	800	56,000
Network cable	378,900	1,208,000
Newspapers	235,919	159,000
Total	**$17,745,319**	**$24,010,000**

Marketing/brand management:
Vp mktg, Joseph A. Campana
Gen mktg mgr, Charles B. Kitz
Adv mgr, Raymond Dreyfus
Agency: BBDO, Detroit
Exec vp-gm, William Kelly
Sr vp-grp mgmt supr, Wm. Oswald
Sr vp-mgmt supr, Harry Grusche
Vp-acct supr, Gordon Berg, Mark Caroselli, Keith Mandish
Sr vp-exec media dir, Eugene J. McCarthy
Vp-media dir, Theodore Zahrfeld

196. AT&T INFORMATION SYSTEMS

American Telephone & Telegraph Co.

	Media investments 1986	1985
Magazines	$1,855,800	$ 14,378,000
Natl. Sun. mags.	137,100	883,000
Network tv	9,968,400	4,454,000
Spot tv	385,500	1,401,000
Network radio	3,332,900	3,007,000
Spot Radio	—	—
Outdoor	—	—
Network cable	17,200	70,000
Newspapers*	2,029,580	6,056,000
Total	**$17,726,480**	**$30,249,000**

*M&MD estimates

Sources

Consumer magazines and national Sunday magazines: Data summarized from the PIB Magazine Analysis prepared by Leading National Advertisers Inc. (LNA) of actual linage run in those publications. Expenditures are based on current one-time gross rates before discounts. Rates for national full-run insertions are based on ad size and coloration. Rates for regional and less than full-run insertions are determined by LNA editors based on circulation and rates supplied by the magazines. Covered are more than 150 consumer magazines and three national Sunday magazines, plus tear sheets of over 1,500 regional editions a year.

Network tv and network radio: Data secured by Broadcast Advertisers Reports (BAR), which monitors all network broadcasts except those of the Mutual Radio Network. Material is collected on audio tape and then translated into a sequential listing. Network tv and network radio rates are based on estimates provided by the three networks of per-minute cost for time and talent.

Spot tv: Data secured by Broadcast Advertisers Reports (BAR) from listening posts in 75 top markets that monitor 319 stations for one week each month. These weekly records are projected to estimates of monthly spot tv usage. Spot tv rates are applied from a station rate deck that is constantly updated by agency buyers. *(continued)*

Marketing/brand management:
Adv dir, C.L. Mitchell Jr.
Div mgrs: P. C. Shyposh, W.J. Higgens
Adv mgr, P.M. Neavill
Asst mgrs: K.M. Fitzgerald, J. Moulton
Agency: Ogilvy & Mather, N.Y.
(General business systems, data systems, communications systems)Sr vp-grp dir, G.K. O'Dea
Sr. vp-mgmt supr, C. Round
Vp-mgmt supr., M. Smith
Agency: FCB/Leber Katz Partners
(Network systems, technology systems, federal systems)
Sr vp-mgmt dir, J.B. Bernegger
Vp-acct dir, F. Plantilla
Acct dir, K. Miller

197. ALKA SELTZER PLUS COLD TABLETS

Miles Laboratories, Inc.

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$12,412,800	$ 9,528,400
Spot tv	2,117,300	1,065,700
Network radio	2,821,500	969,500
Spot Radio	—	296,495
Outdoor	—	—
Network cable	363,000	131,300
Newspapers	—	—
Total	**$17,714,600**	**$11,991,395**

Marketing/brand management:
Vp-mktg, J.W. Howell
Grp prod mgr, Gordon E. Compton
Dir media operations, Mitchell B. Streicker
Sr prod mgr, David E. Bachtel
Prod mgr, Barbara D. Kauffman
Agency: Wells, Rich, Greene
Exec vp, Jim Weinstein
Vp-mgmt supr, Ken Manka

198. SALEM CIGARETTES

R.J. Reynolds Tobacco Co.

	Media investments 1986	Media investments 1985
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	$17,649,200	$17,498,000
Network cable	—	—
Newspapers	3,050	594,000
Total	**$17,652,250**	**$18,092,000**

Marketing/brand management:
Sr vp mktg, J. T. Winebrenner
Mktg dir, D. N. Iauco
Sr brand mgr, S. R. Strawsburg
Dir mktg srvcs, G. T. Baroody
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco
Creative agency: FCB/Leber Katz Partners
Exec vp grp mgmt dir, Robert Hirsch
Vp mgmt dir, Janice Lee
Acct dir, Robert O'Connell
Acct execs: Jose Banzon, Rob Blumstein

199. CARLTON CIGARETTES MULTI-PRODUCT ADS

American Brands Inc.

	Media investments 1986	Media investments 1985
Magazines	$12,807,000	13,657,700
Natl. Sun. mags.	2,096,900	301,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	1,700	13,500
Network cable	—	—
Newspapers	2,692,315	624,812
Total	**$17,597,915**	**14,597,012**

Marketing/brand management:
Vp-adv, William Moore
Mktg dev mgr, Richard E. Smith
Prod mgr, Thomas Keane
Media dir, John Mellett
Agency: Laurence Charles Free & Lawson
Exec vp, Al Magnane
Acct exec, Vicki Seiden
Asst acct exec, Fran Setzer

200. LISTERINE ANTISEPTIC MOUTHWASH

Warner-Lambert Co.

	Media investments 1986	Media investments 1985
Magazines	$ 221,900	$ 2,793,000
Natl. Sun. mags.	—	—
Network tv	13,793,800	8,647,000
Spot tv	2,623,600	4,813,000
Network radio	—	—
Spot radio	912,972	590,628
Outdoor	—	—
Network cable	—	162,000
Newspapers	—	—
Total	**$17,552,272**	**$17,005,628**

Marketing/brand management:
Vp mktg & brand mngt, Morgan Morton
Category dir, Russ Moran
Sr prod mgr, Lynne Millheiser
Asst brand mgrs: Steve D'Andrea, Reid Stinnett
Agency: J. Walter Thompson, New York
Sr Vp-grp dir, Jack Morrissey
Sr vp acct dir, Gerard Dufour
Vp-sr acct supr, Dolly Bodick
Acct supr, Peter Leinroth
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr Sr vp-dir media plng, John Gray
Vp-assoc media dir, Ronnie Beason
Media supr, Eric Snyder
Media plnr, Pam Barnett

Sources *(continued)*

Spot radio: Data generated by Radio Expenditure Reports (RER) are calculated from a sample of 2,500 stations in 200 markets. RER's sources are 15 leading radio reps handling station groups that supply quarterly computer runs of the spots aired by station, by market, and by brand of product spots aired.

Outdoor: Data are based on information submitted to Leading National Advertisers (LNA) at the request of the Institute of Outdoor Advertising by outdoor plant operators in markets of 100,000 population or over. Covered is about 80% of total national outdoor advertising expenditures.

Newspapers: Data compiled by Media Records, which measured every ad in 201 daily and Sunday newspapers. Actual linage is multiplied by the applicable one-time general open-line rate. Dollar estimates include newspaper supplements, color comic sections, rotogravure, all color ads. *Marketing & Media Decisions* has added estimates of local expenditures in newspapers by the five leading chain retailers because the extent of their operations makes their brands, in effect, "nationally" advertised as well as distributed. **Brand dollar estimates are retabulated by** *Decisions* by major brand name from the data just described. The brand data in greater detail is also available from each of the organizations that compile the data.

POINT/COUNTERPOINT/

A TAXING SITUATION

WHY TAX ADVERTISING?

To understand why this is a relevant question, you need to understand the situation in which Florida finds itself.

Florida is the fourth largest state and the fastest growing large state. Every day, 893 new residents set up house here. By the year 2000, Florida will be the third largest state.

All these new people create a tremendous need for new infrastructure and other state services. Even without improving government services, a great number of new roads, schools and sewer systems are needed to maintain Florida's attraction as a good place to live and do business. Recent studies have indicated that in the next 15 years there will be an unfunded deficit in infrastructure needs of $53 billion.

Historically, Florida's tax structure has not kept pace with growth. We are constitutionally prohibited from imposing a personal income tax. The state relies on the sales tax for two-thirds of its general revenues — a sales tax based on the sale of tangible personal property when services are the fastest growing sector of the economy.

Without the ability to impose an income tax (and not wanting to), and realizing that you can only go to the well so many times for a sales tax rate hike, the 1987 Florida Legislature decided that the only way to solve the long-term funding problems of Florida's growth was to impose a tax on services.

The tax on advertising, like the tax on most services, is a tax directly on business. While some of the tax will be passed on to the consumer, much will be borne by the business community. It is business that benefits directly from maintaining Florida as a desirable place to live. Advertisers benefit no less than any others.

The tax on advertising will not cost Florida jobs or income. Even if it is assumed that advertising expenditures will be cut by 5%, it is ridiculous to assume that eliminating the marginal and, therefore, least efficient, 5% of advertising will materially affect the overall demand for goods and services.

In fact, Florida jobs and income should increase. The state will spend 100% of the increased revenues from the tax on advertising in Florida, creating new jobs and income. Much of the current expenditure for advertising in Florida accrues to out-of-state companies, which do nothing for jobs or income in Florida.

The most important reason, however, why advertising should be taxed is the lengths to which Florida has gone to insure fairness in the tax, not only for advertising but for all taxed services. Florida taxes only that portion of the sales price equal to market coverage of the advertising in Florida. In the case of print media the proportion is based on circulation, and in the case of broadcast media it is based on population in the broadcast area. If the costs of providing the advertising (the actual printing or broadcasting) are mostly in Florida, the tax is collected by the seller. If not, the tax is self-accrued by the advertiser and remitted directly to the state.

No one likes to pay taxes and no legislator likes to raise taxes. But if a tax on services is the only way to adequately provide for Florida's future growth, and if that tax is going to be levied on lawyer services, construction services, accounting services and real estate commissions (to name only a few), why *not* tax advertising?

Tim Deratany is a Florida state senator and minority Republican floor leader.

OUR READERS TELL US . .

The ad community is learning to live in Florida despite the ad tax, say those responding to a poll from Research USA, Chicago. Base (unless otherwise specified): 102

1. Has the passage of the 5% ad tax in the state of Florida caused you to reduce any ad expenditures in the state?

Yes	22.5%
No	75.5%
No answer	2.0%

2. Will you try to omit national advertising in Florida?

Yes	31.4%
No	60.8%
Don't know/no answer	7.8%

3. Will you try to omit national advertising in Florida if it means losing other nearby states because of a blanket effect?

Yes	20.6%
No	65.7%
Don't know/no answer	13.7%

4. If you continue to advertise in Florida, will you cut your ad budget relative to what the tax will cost your company?

Yes	59.8%
No	29.4%
Don't know/no answer	10.8%

5. If you stop advertising in Florida, which will you do?

Cut you national ad budget	8.9%
Use the money that is saved to beef up adver-	

CONSIDER THE COSTS

Beginning July 1, Florida will impose an unprecedented 5% sales tax on all advertising within its borders. No other state taxes national advertising, and no other state has ever imposed such a broad tax on virtually all local advertising. This tax will severely hurt Florida's economy and its consumers. Rather than improve the state's economic growth through the creation of jobs and income, the tax will slow economic growth, increase unemployment and significantly reduce the personal income of consumers in Florida.

Advertising taxes burden the selling process. They confront advertisers with extremely difficult options. Advertisers can respond to the tax by (1) reducing advertising to offset the tax; (2) continuing advertising and pass the tax on to the consumer in the form of higher prices; or (3) moving advertising to a state which does not impose a tax. None of these options are without significant cost.

Reduced advertising levels lead to decreases in sales and sales tax revenue. Higher product prices hurt most those least able to afford them. Also, the migration of advertising dollars out of the state will lead to job losses across the board.

The Association of National Advertisers, the American Association of Advertising Agencies and the American Advertising Federation recently commissioned Wharton Econometrics, a nationally renowned economic forecasting group, to determine the economic impact of an advertising tax in Florida. The study found that the imposition of the tax would result in an initial loss of over 10,000 jobs, rising to 46,000 jobs in 1989.

Florida officials dispute these findings, saying that the study did not adequately take into account the impact of increased government spending resulting from the additional ad tax revenues. However, Wharton subsequently re-ran its computer analysis based on the "best case" scenario that Florida will spend all its new ad tax revenues as soon as they are received. Wharton found that even utilizing these highly optimistic and probably unrealistic assumptions, the impact of the advertising tax would result in 34,000 fewer jobs in the state by the end of 1989 than would have occurred without the imposition of an advertising tax.

Not only does the Florida advertising tax pose significant economic problems, it also raises important constitutional issues. Because it taxes the right to speak, the Florida advertising tax is a violation of the First Amendment of the United States Constitution. Advertising is simply paid-for speech, and a tax on advertising is no less than a tax on the act of speech itself. In addition, Florida has compounded this problem by placing exemptions in the tax law that allow the state to choose who will and won't be taxed.

Finally, the new ad tax is an administrative nightmare. The law is vague, uncertain and confusing. The burden it will place on Florida's tax department and advertisers will be immense.

While the new Florida sales tax on advertising initially will raise revenue for the state, the overall impact of the tax will be detrimental. Florida's political and legislative leaders should not play Russian Roulette with the economic health of the state.

Daniel L. Jaffe is a senior vice president with the Association of National Advertisers.

tising in other states	**44.1%**
Will not stop/NA	**42.1%**
Other	**4.9%**

6. Do you think it is important for the industry to unite to fight this issue?

Yes	**95.1%**
No	**4.9%**

If "Yes," what measures should the industry take? (Multiple answers allowed.)

Ad boycott	**41.2%**
Trade associations' lobbying techniques	**84.5%**
Cancel all corporate meetings in state	**48.5%**
Cancel conventions in state	**52.6%**
Add a question about the ad tax on the ballot for the next election	**43.3**
Challenge the tax in court	**71.1**
Other	**5.2**

(Base: 97)

7. Do you think the ad tax will be repealed?

Yes	**55.9%**
No	**34.3%**
Don't know/no answer	**9.8**

If "No," is a similar tax likely to be taken on by other states?

Yes	**82.9%**
No	**17.1%**

(Base: 35)

8. Will the Florida ad tax complicate matters for your agency?

Yes	**69.6%**
No	**20.6%**
Don't know/no answer	**9.8%**

SALES PROMOTION

by Russ Bowman

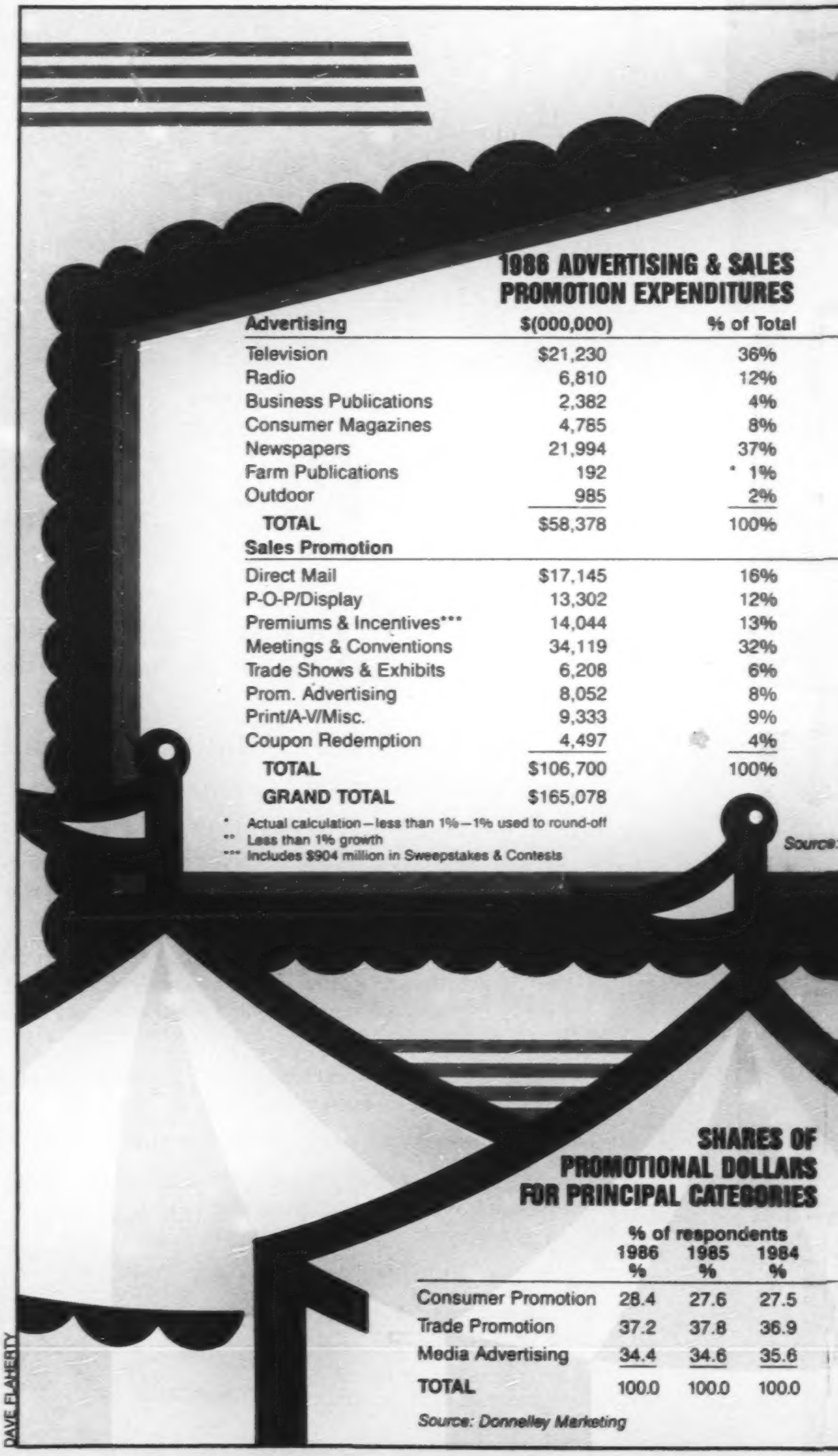
THE YEAR IN REVIEW: PART II

This year's annual report of 1986 advertising and promotion expenditures shows a similar pattern to our report one year ago, with promotion spending outpacing advertising at almost twice the growth rate, but both factors lagging behind the growth of 1984. Total advertising expenditures reached $58.4 billion, a 7% growth over 1985, while promotion spending passed the $100 billion mark at $106.7 billion, a 13% growth over 1985.

In his findings on industry spending, Robert Coen, senior vice president at McCann-Erickson/New York, compares various advertising growth rates in 1986 with the 5.2% growth in GNP in that year. With this benchmark, network tv, consumer magazines, trade publications and outdoor fell below the pace. National newspaper revenues barely showed any increase (+0.7% '86 vs. '85).

Advertising and promotion spending for food in 1987 is predicted to increase by 17%, and some companies like Quaker Oats are planning a 75% promotion/25% advertising split. RJR/Nabisco reportedly continues to pull dollars from advertising to support promotional spending.

The marketing-mix dilemma: What seems to be happening to promotion today is somewhat analogous to the classic debate in market research on the difference between attitudes or stated intentions and actual behavior. Articles in the trade press continue to quote manufacturers' plans to cut back on promotional spending and their heavy reliance on pricing to increase their brand image via larger advertising budgets. One of the problems with this sort of trade press is lack of distinction between promotional cutbacks for consumer vs. trade promotion.



DAVE FLAHERTY

1986 ADVERTISING & SALES PROMOTION EXPENDITURES

Advertising	$(000,000)	% of Total
Television	$21,230	36%
Radio	6,810	12%
Business Publications	2,382	4%
Consumer Magazines	4,785	8%
Newspapers	21,994	37%
Farm Publications	192	* 1%
Outdoor	985	2%
TOTAL	$58,378	100%
Sales Promotion		
Direct Mail	$17,145	16%
P-O-P/Display	13,302	12%
Premiums & Incentives***	14,044	13%
Meetings & Conventions	34,119	32%
Trade Shows & Exhibits	6,208	6%
Prom. Advertising	8,052	8%
Print/A-V/Misc.	9,333	9%
Coupon Redemption	4,497	4%
TOTAL	$106,700	100%
GRAND TOTAL	$165,078	

* Actual calculation—less than 1%—1% used to round-off
** Less than 1% growth
*** Includes $904 million in Sweepstakes & Contests

Source:

SHARES OF PROMOTIONAL DOLLARS FOR PRINCIPAL CATEGORIES

	% of respondents 1986 %	1985 %	1984 %
Consumer Promotion	28.4	27.6	27.5
Trade Promotion	37.2	37.8	36.9
Media Advertising	34.4	34.6	35.6
TOTAL	100.0	100.0	100.0

Source: Donnelley Marketing

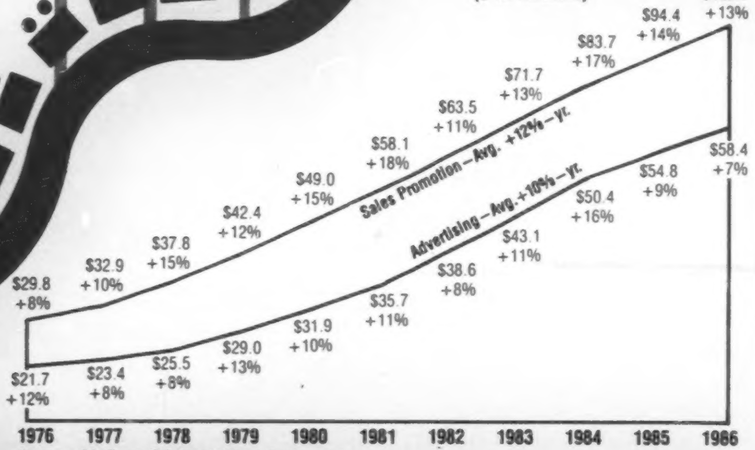
+ % vs. 85
+ 9%
+ 7%
**
+ 3%
+ 6%
+ 3%
+ 4%
+ 7%
+ 11%
+ 20%
+ 10%
+ 10%
+ 7%
+ 6%
+ 18%
+ 14%
+ 13%
+ 11%

cCann-Erickson

% Point Difference '86 vs. '84
+0.9
+0.3
−1.2

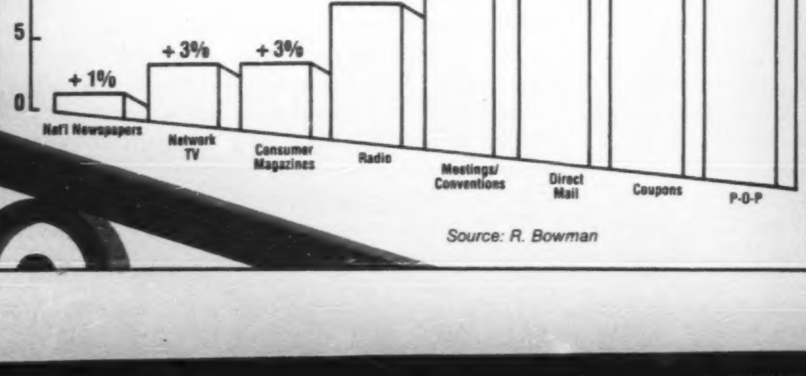
A TEN YEAR HISTORY

Year-to-year Growth of Advertising and Sales Promotion ($ in billions)



Source: McCann-Erickson; Russ Bowman

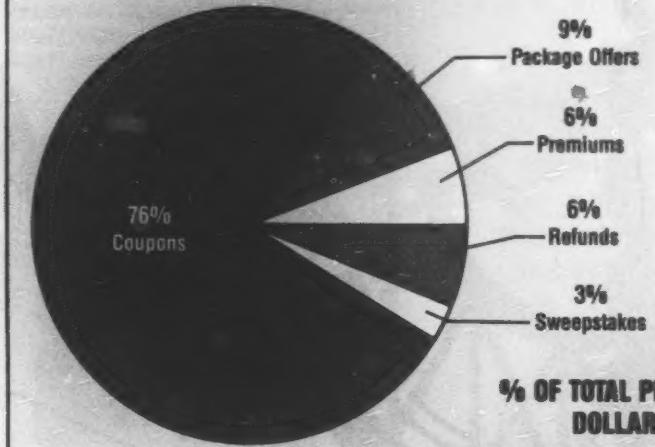
SPECIFIC-CATEGORY ADVERTISING AND PROMOTION GROWTH 1986



Source: R. Bowman

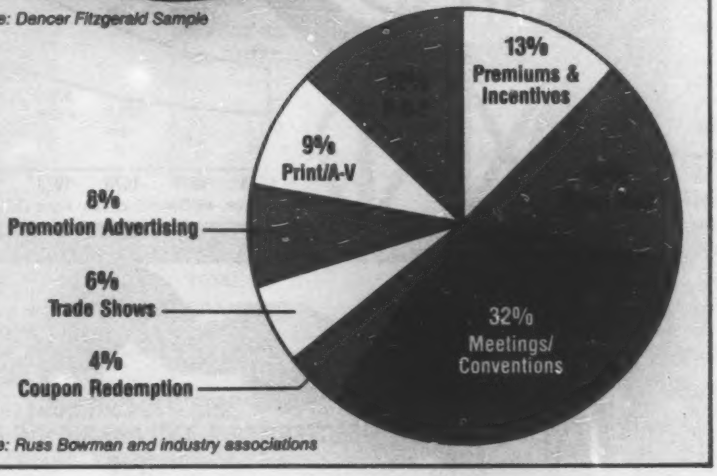
SALES PROMOTION

SHARE OF CONSUMER PROMOTION BY TYPE
BASED ON DFS STUDY OF 11,000 PROMOTIONS IN 1986



Source: Dancer Fitzgerald Sample

% OF TOTAL PROMOTION DOLLARS BY TYPE



Source: Russ Bowman and industry associations

One survey, prepared in 1985 for ADVO Systems, indicated that manufacturers anticipated a decrease in trade promotion budgets and use of coupons, with a commensurate increase in media advertising. Couponing, according to Nielsen's Manufacturers Coupon Redemption Center (MC3), actually increased at a greater rate in 1986, and there is no indication of any significant industry-wide decline in trade promotion spending.

Donnelley's annual report on marketing expenditures, which shows advertising declining, consumer promotion gaining and trade promotion about the same, is a fair assessment of actual practice. "Share" chart on page 153 shows the results of their ninth annual study, including 1986 allocations.

In order to track the growth trends for marketing dollars, we compared the growth in 1986 for four basic advertising media with the growth over the same period for four promotional techniques. Advertising shows very meager growth: network tv and magazines up 3%; national newspaper advertising up less than 1%; and radio with the best growth of 7%. On the other hand, conventions and meetings are up an estimated 10%, direct mail is up 11%, coupons are up 14% and point-of-purchase/displays are up 20%.

Marketing/promotional expenditures not included in the comparative tables of this report include the additional product and packaging expenses involved in "bonus-packs," factory costs for inserting premiums and other offers, etc. Also not included are most trade allowance expenditures. Another category not included is telemarketing and use of 800 and 900 phone systems, estimated to be as much as $5 billion in 1986. The problem, of course, with adding brand new categories to any ongoing report is that it artificially escalates trend figures.

The shape of things to come: The future looks particularly strong for promotion through the decade.

The promotion business will probably continue to grow in the 12-15% range, while advertising will more likely show annual increases in the 7-10% range. McCann's Coen has already forecast a 7.5% growth for traditional advertising media in 1987. Joe Flannigan, current president of the Council of Sales Promotion Agencies (CSPA), sees promotion maturing and taking shape as promotion agencies become "marketing partners" with their clients. Sources in the agency segment of promotion see a 10-20% + growth over the next few years.

To keep pace with promotion's future, keep your eye on the following factors and caution signals:

1. Deregulation in industries like airlines and telephones create competitive incentive needs.
2. Regional marketing will affect promotion more than advertising.
3. Growth and influence of larger promotion agencies will result in bigger promotion budgets.
4. The importance of retail tie-ins and in-store purchasing decisions will spur more P-O-P, etc.
5. Government issues like the Florida ad tax and the possible cigarette ban may affect promotion as well.
6. If the economy lags as the year ends, price-oriented incentives, like auto rebates, may escalate.

ECONOMIC EYE

METROS AT MID-YEAR

According to *Media Industry Newsletter*, the regional marketing trend (see cover story, page 118) has not necessarily been a boon to metro/regional magazines. Ad page tallies through June 1987 show 26 of the 44 reporting titles posting declines thus far. Biggest gain: *New England*, +24.38%.

MAGAZINE AD SCORECARD	Ad Pages May 1987	% change from May 1986	Dollars spent (000)	% change from May 1986
1. Skin Care, Creams, Lotions and Oils	152.72	−2.4%	$ 5,230.7	+18.4%
2. Lip and Eye Beauty Products	72.0	+28.2	2,634.1	+22.5
3. Scents and Fragrances	276.24	−7.6	7,731.3	−0.5
4. Facial Makeup Products	96.27	+112.4	2,877.3	+46.0
5. Prepared Dinners and Entrees (including Pizza)	34.55	+25.3	2,088.9	+26.8
6. Liquor	317.81	−12.2	13,451.5	−10.5
7. Cigarettes	629.70	−2.3	30,147.3	−6.6
8. Soaps and Detergents	39.51	−19.4	2,302.3	−31.2
9. Passenger Cars, Domestic	456.66	+6.8	21,993.4	+1.1
10. Passenger Cars, Imported	455.10	+1.8	20,991.1	−.5

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100	←— 1986									—→	←— 1987					—→
	Aug.	% change	Sept.	% change	Oct.	% change	Nov.	% change	Dec.	% change	Jan.	% change	Feb.	% change	Mar.	% change
Network TV																
Daytime	95	−5	102	+2	103	+3	98	−2	85	−15		+0		+8		+7
Nighttime	108	+8	107	+7	104	+4	107	+7	109	+9		−9		−9		−8
Spot TV																
Prime time	121	+21	105	+5	119	+19	115	+15	116	+16		+5		−0		−0
Daytime	109	+9	99	−1	109	+9	111	+11	105	+5		+7		+11		+13
Network radio	105	+5	104	+4	115	+15	106	+6	101	+1		+14		+12		+11
Spot radio	98	−2	—	→	←	—	101	+1	—	→		–		+1		–
Consumer magazines	105	+5	106	+6	106	+6	106	+6	107	+7		+4		+3		+4
Natl. Sunday mags	105	+5	105	+5	94	−6	94	−6	94	−6		+11*		+11		+11
Business publications	106	+6	106	+6	106	+6	107	+7	107	+7		+5		+5		+5
Newspapers	108	+8	108	+8	108	+8	109	+9	109	+9		+8		+8		+8
Outdoor	107	+7	111	+11	106	+6	106	+6	106	+6		+6		+6		+6

Notes: Percentage shown is relative change from the same month/period the year before.

1985 = 100 *revised

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

C2950-3
8/5/87

MARKETING & MEDIA
DECISIONS

AUGUST 1987 • $4.00

MEDIA COSTS '88

A BUYER'S MARKET

Strong cost pressures and even stronger agency resistance have put the media in a very tight spot. Inside, the expert's complete guide to next year's media shopping list.

B ORT:
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GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800
BETHSEDA MD 20814 CIR

MARKETING & MEDIA DECISIONS

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Now more than ever, the media had better have some solid arguments on which to base their ad-rate increases. The fact is, however, many do.

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COVER STORY/MEDIA COSTS

WHERE TO NEXT?

That's the question media buyers and sellers want answered the most, and it's the reason for this issue. But predicting the future in today's jumbled media world requires the talents of the seer of seers. The last two years have seen such tumult in the way advertisers, agencies and the media conduct business that anyone who proclaims to have The Answer should promptly be shown the door.

With that caveat, we bravely present our best estimates of where media costs are likely to head for major categories and where the pressure points lie. Our projections come from a pretty knowledgeable bunch: We polled almost 200 agency media directors on their calculations for media costs.

According to our best information, the average cost of a media unit bought for 1988 will rise 6.1% over last year. At that time, our sample expected media costs to rise 5.5%. The actual performance, as reported by our media directors this year, was an amazingly low 3.4% increase. The disparity between those numbers — the projection and the result — underscores what a treacherous year 1986-1987 has been for most media sellers.

Supply outstripped demand in several categories — most notably in daytime television. Then too, querulous advertisers, fed up with "automatic" price hikes, took a look at the low level of general inflation and the absence of any major contributing cost increase factor (like postage or paper) affecting media and got very tough. They demanded from their agencies and the media more negotiation and "extras" in return for their business. This new pragmatism can be seen across all categories and particularly in magazines, which have been having a tough time holding to the rate-card tradition.

All of this, meanwhile, was played out against a churning economic backdrop. Lackluster corporate profits, a new sweeping tax law and an unprecedented wave of often unsolicited mergers and acquisitions caused many companies to seek a low profile. One consequence was a dearth of major new and costly product rollouts. Even worse, marketing and advertising budgets in general came under close scrutiny — cutbacks became more the rule than the exception.

The agency and media worlds were being similarly jostled. Mergers and acquisitions in those sectors bred management instability, client antagonism and worrisome debt loads.

Where to next, indeed. After such a chaotic year, why would anyone expect media costs to rise at all? There are several possible explanations. First and foremost, most economic prognosticators foresee a rise in both inflation and interest rates in 1988. Second, many of the major media are bracing for an upward spin in their operating costs. Paper and postage costs, for example, could soar, hurting magazines, newspapers and direct mail the most.

Over on the electronic side, an election and Olympic year could create a strong demand for time. And the advent of people meters has shaken the networks' traditional pricing and dealmaking structure. Last but not least, threatened strikes by various network and production unions and the National Football League could wreak havoc.

Yet if certain costs do seem to be on an upward spiral, there are other, mitigating factors. There is actually more network broadcast time available than ever before in terms of the amount and type of units sold. And there are more options on that side of the business: Both cable and syndication have won new fans with better programing.

Indeed, there are more options available in all media categories. There are scores of highly targeted magazines, greater numbers of Yellow Page competitors than ever, and more telemarketing and sales promotion possibilities. There *is* more than one way to skin the cat.

Furthermore, after all the wrenching of the past two years, the media themselves are in a far more accommodating state of mind. Consumer and business magazines are setting up discount and/or network structures, while newspapers are finally doing something about the rate differential separating national and local prices. Radio, outdoor and cable are selling their regional attributes to national marketers who seem more enamored of the grass-roots approach.

Where to next? All indications are for a better year in terms of firming corporate profits and loosened marketing purse strings. For the media professional, it promises to be an interesting year with everything for sale and everything very negotiable.

Media Cost Rises

	1988 Anticipated	1987 vs. 1986 Actual	 Anticipated	1986 vs. 1985 Actual	 Anticipated	1985 vs. 1984 Actual	 Anticipated	1984 vs. 1983 Actual	 Anticipated
Average increases – unit cost									
Nighttime network tv	6.0%	3.2%	4.0%	5.9%	7.0%	7.9%	9.2%	10.6%	9.6%
Daytime network tv	0.5	−7.7	−3.8	3.9	6.9	10.5	12.7	11.4	8.1
Spot tv	8.4	5.6	5.5	5.8	7.7	7.6	7.8	9.8	10.9
Network radio	6.4	5.7	5.1	9.1	7.2	7.9	7.3	8.0	9.0
Spot radio	6.0	4.4	4.4	5.6	6.8	6.7	7.4	8.7	8.7
Consumer magazines	5.6	4.3	6.7	7.0	7.7	8.0	8.2	9.1	9.0
Nat'l Sunday magazines	5.6	4.8	5.1	2.9	6.7	8.3	8.3	9.1	7.9
Daily newspapers	6.6	6.5	7.2	7.4	7.9	8.0	8.5	9.0	9.3
Outdoor posters	5.3	4.9	5.3	5.7	7.2	6.5	7.3	8.0	9.8
Business publications	5.4	5.3	6.3	7.6	7.2	6.7	7.6	7.5	7.3

Source: Marketing & Media Decisions

Anticipated Media Cost Movements 1988 vs. 1987 (Average changes)

Medium	**Unit Cost**	**Audience**	**CPM**
Nighttime network tv	6.0%	−1.8%	7.4%
Daytime network tv	0.5	−4.1	5.5
Spot tv	8.4	1.0	8.1
Network radio	6.4	0.4	6.0
Spot radio	6.0	0.6	5.2
Consumer magazines	5.6	0.4	5.3
Nat'l Sunday magazines	5.6	0.5	4.9
Daily newspapers	6.6	0.2	6.3
Outdoor posters	5.3	0.8	4.7
Business publications	5.4	1.0	4.5
Response ranges			
Nighttime network tv	0/+19%	−8/+4%	+1/+14%
Daytime network tv	−12/+9	−12/+2	−2/+12
Spot tv	+4/+20	−2/+5	+4/+15
Network radio	−1/+11	0/+3	−2/+10
Spot radio	+2/+10	0/+2	+3/+8
Consumer magazines	+2/+9	−2/+3	+2/+10
Nat'l Sunday magazines	+1/+8	−3/+5	−2/+9
Daily newspapers	+2/+9	−1/+2	+1/+9
Outdoor posters	+1/+10	−1/+5	0/+7
Business publications	0/+9	−2/+10	−4/+8

Source: Marketing & Media Decisions

Actual Media Cost Movements 1987 vs. 1986 (Average changes)

Medium	**Unit Cost**	**Audience**	**CPM**
Nighttime network tv	3.2%	−1.3%	3.9%
Daytime network tv	−7.7	−3.1	−6.7
Spot tv	5.6	−0.2	5.8
Network radio	5.7	0.0	5.8
Spot radio	4.4	0.0	4.0
Consumer magazines	4.3	0.0	4.7
Nat'l Sunday magazines	4.8	1.0	4.3
Daily newspapers	6.5	0.2	6.7
Outdoor posters	4.9	0.7	4.7
Business publications	5.3	1.1	4.5
Response ranges			
Nighttime network tv	−5/+10%	−8/+1%	−5/+10%
Daytime network tv	−30/+6	−15/+2	−20/+6
Spot tv	+2/+8	−3/+1	+2/+12
Network radio	−1/+15	0/+3	−5/+15
Spot radio	−1/+8	0/+1	−1/+8
Consumer magazines	−8/+9	−9/+3	0/+8
Nat'l Sunday magazines	0/+8	−3/+4	0/+8
Daily newspapers	+2/+9	0/+1	+4/+9
Outdoor posters	+1/+9	0/+1	0/+7
Business publications	+2/+8	−1/+3	−4/+8

Source: Marketing & Media Decisions

MEDIA COSTS/ECONOMIC FORECAST

A LITTLE BIT OF BLUE SKY

by Paula Schnorbus

Remember the term "cautious optimism"? It may be applied here as economists gaze into the future at the second half of 1987 and the first half of 1988.

Economists see the depreciating dollar as a boon to U.S. exports, the lower costs of which will look pretty good to foreign consumers. At the same time, imports will cost U.S. consumers more, which should make domestically made goods more competitive.

On the other side of the ledger, though, inflation seems to be on the rise. Interest rates are likely to go up as a result.

The following are opinions offered from economists and media analysts, who offer their forecasts on where they believe the economy will go next year and the effects it may have on media costs.

Lee E. Ohanian

Vice president and economist, Security Pacific National Bank

"Real growth should pick up a little to 3% for the second half. That would reflect an improving foreign trade sector," says Ohanian, who anticipates the net export deficit to decline significantly in the latter part of 1987.

"We also expect personal consumption expenditures to increase in the second half and we look for a slight pickup in investment," he continues.

He points to inflation as being a potential problem for the first half of 1988. Ohanian predicts it will rise from its current 4% level to 5% in the second half of this year and grow to 5.5% for the first half of next year, putting pressure on interest rates. "This will result in slower economic growth."

Doug Handler

Director of short-term macro forecasting, Wharton Econometrics

"The first quarter of this year was characterized by a huge amount of inventory growth," says Handler. But since manufacturing demand for goods

L. Ohanian

D. Handler

PROJECTIONS AT A GLANCE

	GNP	Unemployment	CPI	Interest rates (T-bills, 3 months)
Lee E. Ohanian				
Second half '87	3.0%	6.3%	4.8%	6.25%
First half '88	2.5%	6.4%	5.5%	7.0%
Doug Handler				
Second half '87	2.4%	6.5%	4.6%	5.8%
First half '88	3.5%	6.4%	4.6%	6.2%
Steven R. Malin				
Second half '87	2.2%	6.3%	5.6%	6.0%
First half '88	1.2%	6.7%	5.2%	6.1%
Maury N. Harris				
Second half '87	2.75%	6.3%	4.5%	6.0%
First half '88	2.6%	6.3%	4.5%	6.375%
Lacy H. Hunt				
Second half '87	3.1%	6.0%	6.3%	6.2%
First half '88	3.2%	5.9%	7.2%	7.0%

is "relatively weak, we'll have to work off these inventories on the production side rather than through increased demand. That spells low growth rates for the second and third quarters," he affirms.

Some of this high inventory, he points out, stems from "car companies trying to keep stock high as a hedge against strikes." A "relatively" modest auto strike may be in the offing in the third quarter, says Handler.

S. Malin

M. Harris

The drop in the dollar, says Handler, is pushing down the cost of U.S. goods for foreign consumers. Meanwhile, the cost of imports is going up, making foreign goods less attractive to U.S. consumers. "This phenomenon should benefit U.S. manufacturers and retailers and contribute positively to the GNP," says Handler.

Wharton's forecast for inflation is that it will remain at moderate levels, an average 4.6% for next year. The forecast doesn't call for a "major retrenchment" in consumer demand, even keeping in mind high debt levels. "There will be no binges or major cutbacks," comments Handler. "Spending should be pretty steady." Small increases in investment are also expected, most likely in the computer and office equipment areas.

Steven R. Malin

Senior economist, Economic Analysis Program, The Conference Board

"The net exports of goods and services should see significant improvement as we move deeper and deeper into 1988," says Malin.

"The second half of the year will be tempered by some mild increase in inflation," he thinks. But he adds that "early on in (Alan) Greenspan's tenure as chairman of the Federal Reserve Board, he will have to show he is someone who is hawkish on inflation," which could lead to a "very modest tightening in monetary policy during the second half of this year." Malin also notes that "there are no spending increases going on in the federal budget." The sluggishness in money supply growth and a "creeping up" in interest rates could dampen some economic activity.

He foresees some weakening in residential construction. He also voices concern about the high debt burdens of consumers and the sluggish growth in personal income.

Maury N. Harris

Chief economist, PaineWebber Inc.

"The economy is switching engines right now," says Harris. "Consumer spending is slowing down and the housing sector is tailing off." What's picking up for the time being is business spending on inventories and capital equipment. This is happening, opines Harris, because of some turnaround in the trade balance.

This is a good thing, notes Harris, since the growth rate of consumer spending is slowing down. The reason for that is simple, he says. "If they're not buying as many houses, they don't need as much in the way of furniture and appliances. Also, consumer real income growth has been pretty weak recently," he finds.

The strength of the dollar should rope foreigners into buying lower-costing U.S. products and deter U.S. consumers from buying imports.

The really interesting thing about the economy, muses Harris, is that after all these years, "we're now reversing course and going through a period where domestic output will be growing faster than domestic demand."

Lacy H. Hunt

Executive vice president and chief economist, Carroll, McEntee & McGinley Inc.

"We're going to see the economy approach full employment, and I see this leading to increased inflationary pressures and some further upward movement in interest rates," says Hunt.

"I think that the dynamic component of the economy is going to be the business sector," predicts Hunt. "Corporate profits will continue to gain strongly, and we will see an upswing in capital spending, the first big one since 1984."

Hunt says the consumer sector is expected to be "relatively tranquil," growing at about a 2% rate. He notes that during the first half, it only grew at a half-percent rate.

"But a lot of that difficulty in the consumer sector was from the tax law changes, which resulted in a big decline in January. That will not replay in the second half," says Hunt.

MEDIA ANALYSTS

R. Joseph Fuchs

Managing director, media and entertainment analyst, Kidder, Peabody & Co.

"Across the board we continue to see advertising expenditure growth exceeding nominal GNP gains," states Fuchs. "We see the greatest strength coming from the local sector, with the national environment continuing to be under pressure both from the advertiser and the dramatically increased competitive environment in television and magazines."

Fuchs goes on to add that in the "newspaper business, the underlying strength has remained very solid throughout 1986 and is showing some modest acceleration in 1987. The sector is growing in direct response to the health of the individual local market economies."

The retail component of newspaper advertising should step up from 1986's 6.5% growth rate to 7-to-8% gains in both 1987 and '88. Gains in classified linage should advance to the 8-to-10% region in 1987, with a more modest rise of 7% forecast for 1988, suggests Fuchs. He adds that newspaper pricing in general will probably move up some 6% to 7%. "Basically, the industry continues to price ahead of inflation and, given the strengths of the local advertising environment, it is experiencing 1% to 3% real growth," figures Fuchs.

J. Fuchs

B. Kaplan

Meanwhile, he adds, "The magazine business continues to feel pressure. A highly competitive pricing structure is being introduced in the women's book segment where pricing is increasingly looking like the supply/demand commodity pricing of the televison business," comments Fuchs. "We see magazine advertising in total being up around 4% this year and in the 4-to-5% range for 1988."

Barry A. Kaplan

Vice president, media analyst, Goldman, Sachs & Co.

"I see a very good advertising environment for the next 18 months," says Kaplan. "I'm pretty optimistic."

For the 1987-88 season, Kaplan thinks network television will see revenue growth of 6% to 7%, which is "higher than last year because upfront will be better." He cites the Olympics, elections, inflation and an improving economy as the contributing factors.

Although spot was weak in the first half of 1987, Kaplan says it should post 8% to 9% increases during the 1987-88 season. Local spot is likely to advance in the 10% zone, syndicated barter could rise 13% to 14% and Kaplan pegs cable for a 15%-plus uptick.

Dennis McAlpine

Vice president, media analyst, Oppenheimer & Co.

"Broadcast is having a peculiar year because of the presidential/Olympics experience," says McAlpine of the 1987-88 season. "Normally, you've seen double-digit revenue increases in virtually all sectors because of (the quadrennial year)."

Cable networks and barter syndication will show relatively big rate increases because they are coming from a very small base, he says. Regarding broadcast, however, "I'm somewhat pessimistic, I guess," says McAlpine. "I think upfront network may not be quite as positive as people are looking for. It looks like it may be as high as 10% ahead initially, and that will probably drop down to 6% to 7% in unit price increases once it's all counted."

He adds that "the barter market, which seems to be pretty well sold out already on their upfront, looks like it's up 10% to 15%, primarily for the better shows." Cable tv networks as well seem to "running in the 15-to-20%-ahead area," says McAlpine.

"Radio looks like its holding its own," McAlpine says, adding that there aren't any big increases so far, "but we're really not into their upfront. That will come later on this year after we get into the fall."

Advertising expenditures' greatest strength will come from the local sector, says Fuchs.

John Tinker

Media analyst, Morgan Stanley & Co.

"Cable will do reasonably well because penetration rates are increasing. They're still very cheap," says Tinker. But, he adds, "up to now, it's been very difficult to sell it to the advertising community. The whole strength of going on a network is that it's one buy and it hits most of the country, in comparison to trying to deal with a lot of different, separate cable programs and services that cause a lot of problems," explains Tinker.

D. McAlpine

J. Morton

At the local level, Tinker believes cable will benefit from the growth of interconnects, or a group of cable operators who get together to sell time to one buyer on a number of different systems. He predicts that revenues as well as media prices should grow 10% in the last six months of the year and another 10% in the first half of 1988.

John Morton

Newspaper analyst, Morton Newspaper Research, Lynch, Jones & Ryan

"Most newspaper companies are raising advertising rates 6% to 8% this year," says Morton. "Part of that is because of the newsprint price increase, which went into effect in July; part is due to inflation and circulation growth; and another part is just their ability to raise prices," says Morton of the hikes.

"The average rate increase is expected to be about the same in '88. We expect revenues to increase in the newspaper industry probably about 8% this year. The bulk of that will come from advertising and some also from circulation," he explains. ■

AS THE GAP NARROWS...

by Deborah Ellis
Supervisor,
Media Information
and Analysis Division,
Ted Bates & Company

The past year has been an eventful one for those in the advertising business. Buyouts of the major networks and mergers of major advertising agencies and advertisers contributed to a chaotic media marketplace. In addition, fear of the new tax laws and a low inflation rate fostered a conservative economic climate that led to constrained advertising budgets.

As the following Ted Bates analysis shows, advertising budgets on average were increased in 1986, but at levels much lower than in past years. Indeed, the percentage of total marketing budgets spent on promotional activities is on the rise. Some industry sources estimate that, in 1970, approximately 40% was spent on promotions and the balance in traditional ad vehicles. Today, according to these same sources, that ratio has been reversed, with promotion now accounting for 60%. Advertisers are questioning the performance of each ad dollar.

Inflation in 1986 — at 1.9% — was at its lowest level in twenty-one years. After several years of almost no response to moderate inflationary pressure, most media elements in '86 finally showed some limited response (Exhibit I). Indeed, six media elements showed lower CPM increases than the previous year's, while the remaining three matched their previous year's CPM increase. Despite this limited response, the overall picture was still disappointing. While three media elements showed increases lower than inflation's, the remaining six increased at rates at least double that of the CPI.

Economic and market conditions prevalent in 1986 had a major impact on television, in particular daytime network television. After years of media CPM increases well in excess of inflation, network television finally buckled under the pressure and grew at levels lower than inflation.

- Daytime network television dropped considerably and experienced a CPM decrease of 2%.
- Evening network television showed no CPM increase in 1986.
- Spot tv was not as affected by disinflation as network. Its CPM increase declined slightly to 5%.

The radio media elements saw no change from the previous year. Network again posted a 6% CPM increase, while spot radio maintained 1985's in-

EXHIBIT I
Yearly Percent Increases In CPM

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	Est 1987*
Broadcast												
Daytime Network TV	25	29	8	5	11	7	9	5	9	15	–2	–13
Evening Network TV	8	26	9	12	14	7	24	7	15	10	0	9
Spot TV	25	5	0	9	8	5	9	8	11	6	5	2
Network Radio	10	9	7	6	5	8	7	10	10	6	6	8
Spot Radio	12	9	5	5	7	7	6	7	7	5	5	5
Print												
Magazines	2	9	9	8	12	12	11	8	8	8	6	6
Supplements	3	19	2	9	9	11	12	5	6	4	–11	5
Newspapers	10	9	8	8	10	13	10	10	9	7	7	7
Outdoor												
Posters	6	9	11	12	10	9	11	6	9	6	5	5
CPI	5.8	6.5	7.7	11.3	13.5	10.4	6.1	3.2	4.3	3.6	1.9	3.1

*These estimates represent a weighted average reflecting upfront and scatter market.

EXHIBIT II
Compounded Yearly CPM Increases
Base Year 1981

	1981	1982	1983	1984	1985	1986	1987	Annual Avg. Growth
Broadcast								
Daytime Network TV	100	109	114	125	143	140	122	3.5
Evening Network TV	100	124	133	153	168	168	183	10.4
Spot TV	100	109	118	131	139	146	149	6.7
Network Radio	100	107	118	130	138	146	158	7.9
Spot Radio	100	106	113	121	127	133	140	5.8
Print								
Magazines	100	111	120	130	140	148	157	7.8
Supplements	100	112	118	125	130	116	122	3.5
Newspapers	100	110	121	132	141	151	162	8.4
Outdoor	100	111	118	129	137	144	151	7.2
CPI	100	106	109	114	118	120	124	3.6

EXHIBIT III
Total Advertising Volume and Gross National Product

Year	Ad Volume Million	Ad Volume % Change	GNP Billions	GNP % Change	Ad Volume as % of GNP
1981	60,430	13	3,052.6	12	1.98
1982	66,580	10	3,166.0	4	2.10
1983	75,850	14	3,405.7	8	2.23
1984	87,820	16	3,765.0	10	2.33
1985	94,750	8	3,998.1	6	2.37
1986 (prel)	101,910	8	4,191.1	5	2.43
1987 (est)	110,000	8	4,453.4	6	2.47

crease of 5%.

The print media also exhibited a more moderate growth year in 1986.

- Magazines increased at a lower rate — 6% — than in 1985.
- Supplements, reflecting the after-effects of mergers, posted a substantial decline in growth to a negative 11%.
- Newspapers showed no change, maintaining a 7% CPM increase.

Outdoor reduced growth slightly over 1985 to a 5% CPM.

1987

Inflation is expected to rise in 1987 to 3.1%, still well within the range established over the past few years. The majority of examined media elements, however, are not expected to reflect this continuing disinflation trend.

The television components will be moving in different directions:

- For the second year, daytime network will continue declining, with a 13% CPM decrease. Clearly, daytime is going through difficult times.
- Evening network television will bounce back from its flat performance to a 9% CPM increase.
- Spot television will show a very moderate growth rate of 2%, the only other media element expected to grow at a rate lower than inflation.

Radio will continue along at a fairly steady pace with network radio increasing two points to an 8% increase and spot radio maintaining a 5% increase for the third consecutive year.

The print media elements will also exhibit similar growth patterns to 1986, with the exception of supplements.

- Magazines and newspapers will maintain their 1986 CPM growth levels of 6% and 7%, respectively.
- Supplements will recover after a difficult year and increase to a 5% CPM increase.

Outdoor will continue to show a moderate CPM growth rate of 5%.

HISTORICAL TRENDS

There are clearly two distinct periods of inflation — one where inflation rose to double-digit levels and another where inflation moderated to its lowest level in twenty-one years. This analysis will focus then on this period of continuous moderate inflation.

The CPI for most of the 1980's has hovered in the 3-4% range. Despite this moderating trend, media CPM's as a rule, have not followed suit. They have continued to rise each year far in excess of the rate of inflation. It is interesting to note that the last time inflation was as low as the 1986 level — 1.7% in 1965 — the examined media elements that year increased at levels on a par with inflation. The highest CPM increase that year was only 4%, and the majority of media elements examined remained below inflation.

EXHIBIT IV
National Advertising as a Percent of Total Advertising

Year	Total Adv. (millions)	National Adv. (millions)	National as % of Total
1981	60,430	16,641	28
1982	66,580	18,379	28
1983	75,850	20,657	27
1984	87,820	24,106	26
1985	94,750	25,106	26
1986	101,910	26,280	26

EXHIBIT V
National Advertising Expenditures
(1981 = 100)

Year	Net TV	Spot TV	Mag	News/ Supp	Radio	Outdoor
1981	100	100	100	100	100	100
1982	111	116	105	109	106	111
1983	126	129	120	121	120	122
1984	153	147	140	136	137	134
1985	149	160	146	148	153	146
1986	153	173	152	154	161	152

The overall effect of media CPM's runaway growth can be seen in Exhibit II. Almost all elements examined show an annual average growth rate far in excess of inflation's. The only two exceptions — daytime network television and supplements — grew at rates comparable to inflation only because of CPM reversals in the last two years.

While daytime network television grew at a pace comparable to inflation — 3.5% versus 3.6% — evening network television showed a different trend and tripled the CPI overall growth rate with a 10.4% increase. Spot television doubled inflation with a 6.7% increase.

Despite yearly CPM increases that were moderate in nature, both radio elements still grew at a faster pace than inflation — 7.9% for network radio and 5.8% for spot radio.

The print media present a mixed bag. Magazines and newspapers were at least double the inflation rate at 7.8% for magazines and 8.4% for newspapers. Supplements, however, paralleled daytime television's and inflation's growth pattern and posted only a 3.5% increase, the result of the atypical year we referred to earlier.

Outdoor doubled the inflation growth rate at a 7.2% increase.

ADVERTISING VOLUME

Advertising volume continues to grow at a rate faster than that of the GNP (Exhibit III). The early part of the 1980's saw double-digit increases in advertising volume, far outdistancing the growth in the GNP. The economic environment of the last few years appears to have led to more frugal advertising budgets — since 1985, each year has seen only an 8% increase in ad volume. This increase, however, was matched by a decline in growth for the GNP. The difference in growth between ad volume and the GNP is now only a few points. In 1986, advertising volume as a percentage of the GNP was 2.43% and next year is expected to be 2.47% of the GNP.

National advertising, as a percentage of total advertising, continues to be in the 26-28% range (Exhibit IV). However, the last few years seem to indicate that this relationship is on a downward trend. (See Exhibit V.)

SUMMARY

The past five years have proven to be a period of moderate inflation. Most media CPM's, however, have risen at a faster pace than that of inflation. If the more moderate CPM increases of 1986 are indicative of a deceleration trend, perhaps the gap between media CPM and CPI increases will narrow.

FOOTNOTE Tables report trends in index form with 1975, the base year, indexed at 100 These cost estimates are based on the following units

Nework and spot tv	30 seconds
Network radio	30 seconds
Spot radio	60 seconds
Magazines	one page/four color
Newspapers	milline black and white
Supplements	one page/four color
Outdoor	100 showings through 1981 50 showings 1982-86

Demographics CPM's are based on

Day network	Women 18 +
Evening network	Total persons 2 +
Spot tv	Tv households
Radio	Persons 12 +
Magazines} Newspapers} Supplements}	Circulation
Outdoor	Total population

Sources for audience information are

Network and spot tv	A.C. Nielsen
Network radio	"RADAR"
Spot radio	Arbitron
Magazines	Magazine Publishers Assn.
Newspapers	Newspaper Advertising Bureau
Supplements	Standard Rate and Data
Outdoor	Outdoor Bureau and estimates

Advertising expenditure and GNP data are from the Television Bureau of Advertising Figures for 1987 are Ted Bates' estimates The CPI is based on increases in yearly average compiled by the Conference Board

MEDIA COSTS/TELEVISION

INTO THE GREAT UNKNOWN

As network negotiators throw away the rule book to deal with people meters, the size of the market remains the big question mark.

by Joe Mandese

People meters. Not since the U.S. Treasury abandoned the gold standard has there been a more volatile change in the way an economy is valued.

After 30 years as the "gold standard" of the tv economy, Nielsen next month switches to a people-meter standard that redistributes the ratings wealth, taking from the networks and giving to All Other Television.

It's a transition that has created a lot of anxiety for an industry that normally makes deals based on historical data. Instead, the industry is left with with projections based on "evaluation" data that are unlikely to represent viewing this fall.

All this is making for a nerve-rattling upfront season as buyers and sellers negotiate for the bulk of next year's prime-time commercial space. At the same time, buyers must reckon with the consequences of a presidential election year, the Olympics and the threat of strikes by the Directors Guild of America and the National Football League.

But the people-meter controversy has been the one really gumming up the works. Since Nielsen's people-meter evaluation data generally shows lower ratings for network shows than does the current meter/diary system, the networks have been reluctant to make deals based on the new ratings service.

Early on, the networks balked at giving advertisers their traditional audience guarantees for upfront deals, but since most major advertisers won't buy upfront time without the guarantees, the networks started 1987 upfront prime-time negotiations with particularly aggressive pricing to protect themselves against a ratings and revenue shortfall later in the season.

In the first-round of negotiations, the networks asked for prime-time price hikes as high as 30%. This follows a year when the networks' upfront revenues were flat.

"They were smart to come out so aggressively," notes BBDO senior vice president and director of network tv and programing Steve Grubbs. "Last year they started with rates that were 15% above the previous year's upfront and settled on little or no increases."

According to Grubbs, 5-10% of those price increases were built in by the networks to insure themselves against deflated people-meter ratings. The rest was pure posturing.

NBC senior vice president of sales Bob Blackmore figures 1987-88 network rates will rise a whopping 15% to 20%. While he says that "excludes a 10% adjustment for people meters," he adds that "if you go back to any Olympics-elections year, we've al-

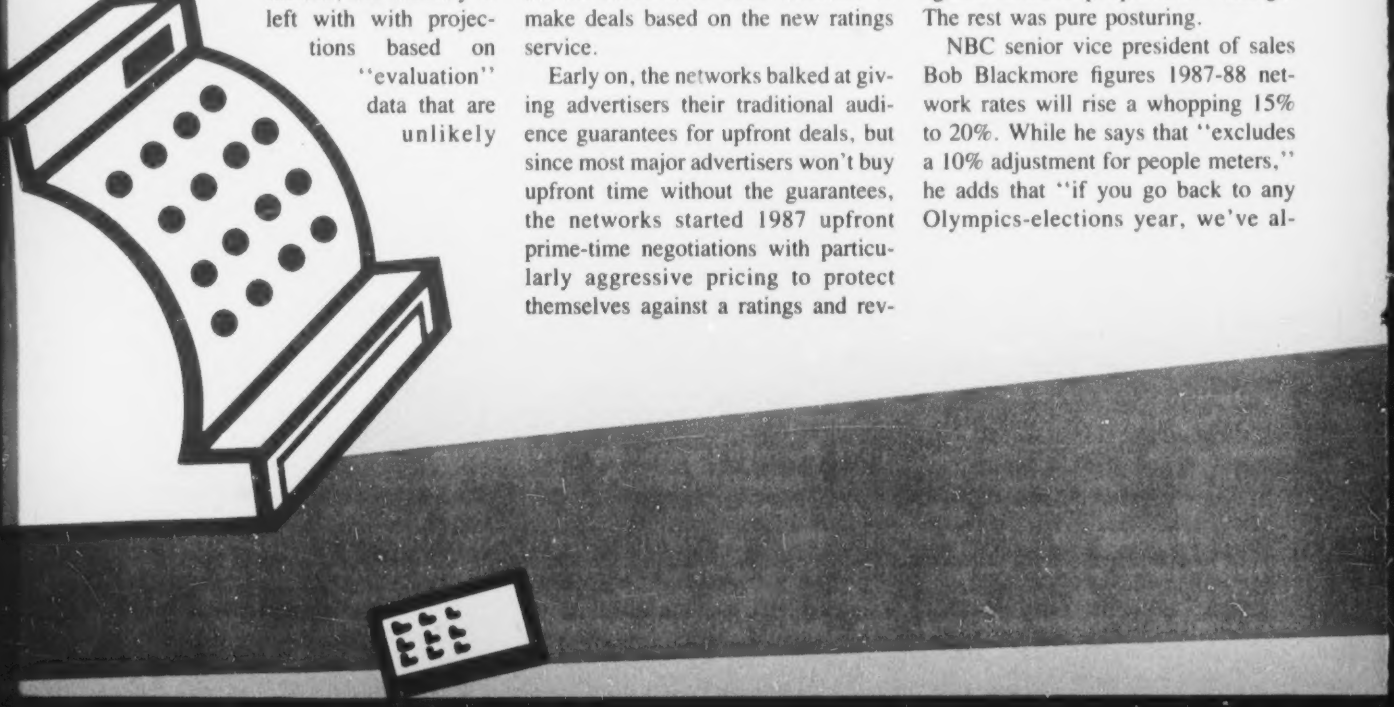


ILLUSTRATION BY DAVE FLAHERTY

ways gotten double-digits."

Indeed, the networks made early upfront deals with the major movie studios that called for 30% increases. However, the studios have never been known to hold the line on rates when it comes to securing their coveted prime-time commercial positions.

A more moderate view of network rate increases was offered by ABC executive vice president of sales Jake Keever. Prior to the start of the upfront, Keever estimated network CPM's would rise 7% to 8%, which is exactly where Bozell, Jacobs, Kenyon & Eckhardt executive vice president and national media director Mike Drexler thinks the market will end up.

But an even more dour view is offered by JWT's executive vice president and U.S. director of media services Richard Kostyra. "I would suggest that we are probably looking at increases of 3% to 4% on an inflationary basis," he says.

M&MD's poll of media directors indicates prime-time costs will rise 6% in 1988.

Some indicators put the networks at a distinct negotiating disadvantage. Based on Nielsen data from October 1986 through April 1987, the combined network prime-time rating dropped 3% from a 47.9 meter/diary rating to a 46.4 people-meter rating, according to an analysis by JWT.

With that in mind, buyers and sellers have been scrambling to assess what impact people meters will have on the relationship between the supply of commercial inventory and the demand from marketers' tv budgets.

If people meters report lower levels of network viewing, they reduce the networks' share of gross ratings points (GRP's), which theoretically reduces their supply and has a tightening effect on their marketplace.

But that's just theory. In reality, most buyers know that even if the standard measure of network value (GRP's) changes, the true value remains constant.

"It's the same inventory," explains Larry Larson, media director of the Pillsbury Co. "We just have to adjust the value we thought we were getting for the inventory. If we thought we were getting a 15 rating and it turns out we are doing a 12, we'll just have to make those adjustments. But the real value hasn't changed."

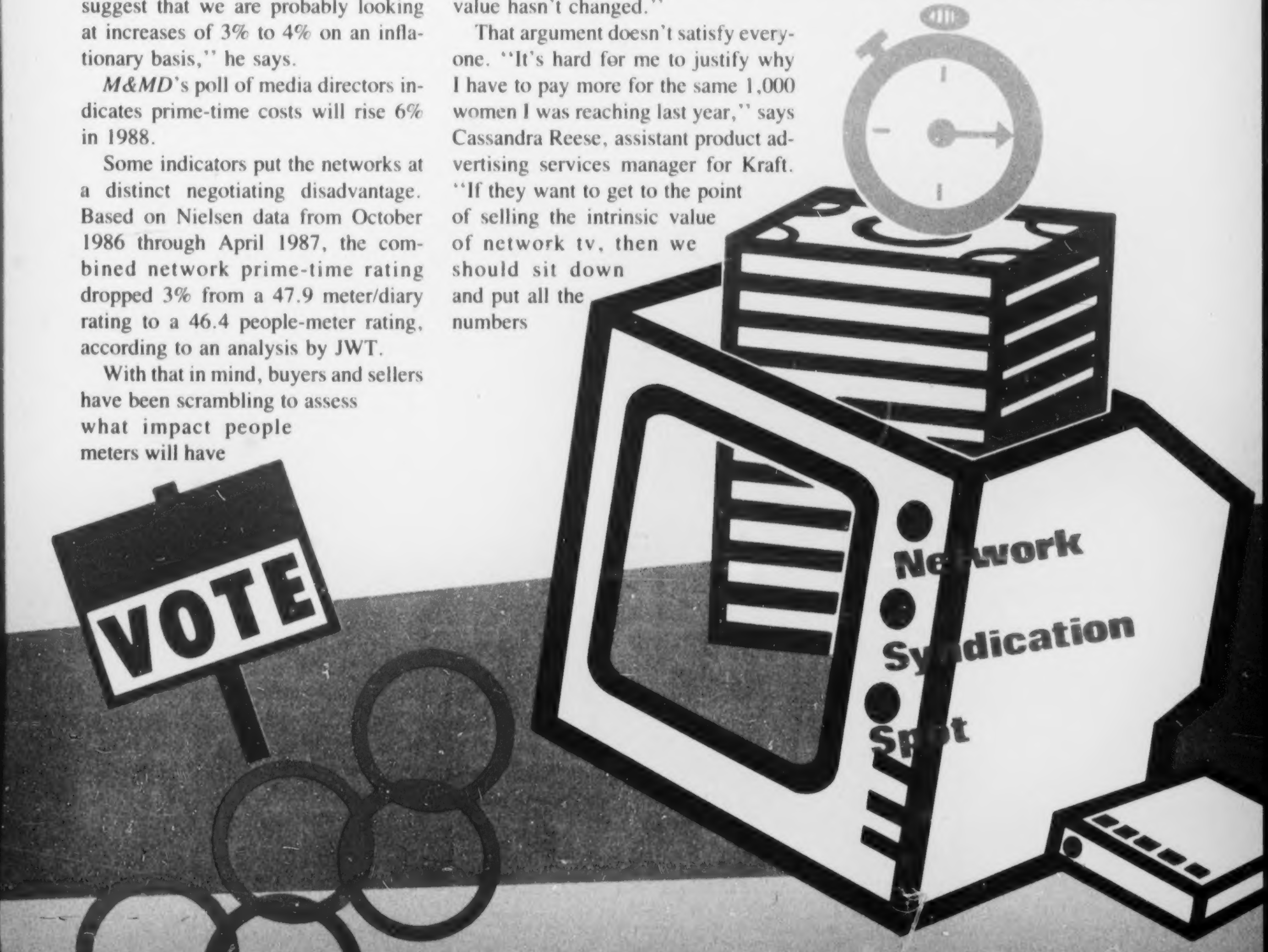
That argument doesn't satisfy everyone. "It's hard for me to justify why I have to pay more for the same 1,000 women I was reaching last year," says Cassandra Reese, assistant product advertising services manager for Kraft. "If they want to get to the point of selling the intrinsic value of network tv, then we should sit down and put all the numbers behind us."

Or as JWT's Kostyra points out, "Those that gain in audience (from the people meters) are going to push us to pay for it." He notes that the people-meter data shows rating increases of as much as 20% on some shows.

So while the value of network tv conceptually should be a simple adjustment under people meters, it will likely be negotiated to a large extent. But the question is, what do the negotiators use as a base?

"For one thing, we're not going to use the old shorthand of percentage increases over the previous year," offers George Mahrlig, director of media services at Campbell Soup.

"What we're trying to do is establish CPM targets as we always do, but ones that reflect the change in methodology and ones that reflect the supply and



demand nature of the marketplace," he explains. "If you just look at the supply side, yes, there is a decrease in GRP's, but if advertisers approach it intelligently, you will find an equal and logical decline on the demand side and it will balance out."

One thing that may moderate the frenzied tv buying atmosphere is that the nets continue to prove that their supply of time isn't really finite. Recently, CBS announced that it will make three and one-half additional minutes of commercial time available each week beginning next fall. The move is expected to increase CBS' share of the $9 billion network marketplace by $50-60 million.

Moreover, all three networks have steadily been increasing their inventory. Since 15-second commercials were introduced (as split-30's) in 1984, the number of commercial units sold by the networks has increased 6% to 284,410 in 1986, according to Broadcast Advertisers Reports. The number of commercial minutes sold, meanwhile, actually decreased 2% to 132,765 in 1986.

NETWORK COMMERCIALS SOLD SINCE 1980

Year	Minutes	Units
1980	123,966	241,076
1981	122,297	238,256
1982	126,987	247,723
1983	134,126	259,842
1984*	135,477	268,230
1985	133,241	271,020
1986	132,765	284,410
	+7%	+17%

* 15 second commercials introduced
Source: Broadcast Advertisers Reports

While 15-second commercials represented only about 21% of all network commercials in 1986, they are expected to increase to nearly one-third of all network spots in 1987.

And while the the supply of the networks' commercial inventory has steadily increased, the demand has been waning. "We haven't had a great big surge or uptick in demand, but the supply has grown," McCann-Erickson senior vice president and director of forecasting Bob Coen noted at his recent mid-year media update.

Analyzing the soft ad demand from key product categories, Coen noted, "It could be that there will be a dramatic shift, but so far I haven't heard any breathing of it and it would be imprudent to assume it's going to come."

Consequently, Coen predicted a moderate increase in network tv advertising, which he said would rise 5% in 1987 to $8.97 billion.

With a bullishness that befits his network's No. 1 prime-time position, NBC's Blackmore adds another $1 billion on that estimate for 1988, bringing the network pie to $10 billion.

Maybe so, but the networks 1987 performance is getting off to a slow start. According to McCann's Coen, the networks gained only 3% during the first four months of 1987. ABC was up the most with a 6% increase that Coen said was due primarily to improvements in their sports programing performance. CBS was flat and NBC was up 4%.

Although there will be some impetus

A CONVERSATION WITH ALEC GERSTER

Alec Gerster is executive vice president/media for Grey Advertising. To reflect the changing dynamics of the national tv scene, Gerster this year changed the title of the agency's annual tv report from "Network 86" to "Television 87"

Characterizing the 1987-88 marketplace: A measure of how disjointed it is, lies the fact that in the middle of all this turmoil, no one even mentions things like the DGA (Directors Guild of America) strike and a potential NFL strike, which in normal years would have been right up there as key marketplace issues.

On the the tight late-night market: Late-night is cyclical. It's a somewhat small daypart and it seems to have alternating years of popularity. In the popular years, the demand outstrips its relative value to other dayparts and what usually happens is that the next year advertisers will walk away from it. This may be one of the up years.

On the Olympics and elections: While they can be disruptive for short periods of time, they cannot by themselves cause an entire year's worth of inflation. People essentially overstate their impact on the marketplace. The advertisers that buy the Olympics are big advertisers that represent about one-third of network advertising, but their spending outside the Olympics does not go up. You can have large increases in an Olympics and election year, but a lot of that is for reasons other than the the Olympics and the elections, like new product introductions, or category wars. There doesn't seem to be anything like that going on.

On the impact of people meters: The advertising impact of network tv has not changed just because we've changed our measurement methodology. We're just changing the standard we use to measure that value. ■

from the Olympic and election year spending, Coen doesn't think spending will break into the double-digit level unless marketers release a "flood of new products." He is forecasting a 9.5% ad increase for 1988.

BJK&E's Drexler estimates that the Olympics will represent about 9% of the network inventory. While that normally would help tighten the network marketplace, Drexler projects that no more than 20% of the Olympics money will come from incremental advertising budgets, and that advertisers simply will move the funds from other network advertising budgets.

As for the national election advertising spending, a JWT analysis of 1984 campaign spending found that only 340 minutes, or about $35 million worth of political advertising time, aired on the three networks. "And that is spread over the entire year, with only 1.2% of the network inventory being taken up in October, the key political advertising month," notes Kostyra.

While the impact of the Olympics and the elections on the network marketplace is questionable, the networks will have to deal with increased competition for national tv dollars from syndication, cable and a fourth tv network, Fox Broadcasting.

"We're talking about something like 15% lower CPM's for Fox and 25% lower CPM's for syndication and 35%-40% lower CPM's for cable," says BJK&E's Drexler. "Even if the Olympics and elections help tighten the network inventory, there are plenty of places to find relief."

Indeed, Fox Broadcasting expects to write about $75 million in upfront business for next season.

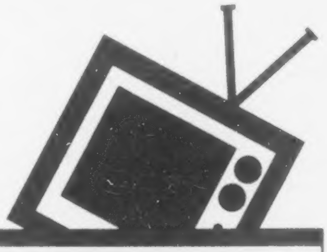
An early syndication market, meanwhile, has moved nearly $500 million in upfront orders.

Add in cable and Drexler says, "We could be talking about more than three-quarters of a billion dollars being written up even before the networks sat down to negotiate."

Despite this sizeable exodus of national tv dollars, some buyers are forecasting a large network upfront that could expand from the $2.5-$2.55 billion in business written last year to about $3 billion this year.

"There's no question that there will be more upfront money this year," says BBDO's Grubbs. "The question is how much of it will be money that in the past was earmarked for scatter and how much of it comes from increased upfront budgets."

According to network buyers, their clients plan to move a greater share of their tv budgets into upfront to protect against the kind of inflated scatter prices they paid during the 1986-87 season, which in many cases were substantially higher than upfront rates. "It's a direct reaction to what happened last year," says Mel Conner, senior vice president/director of network operations for Saatchi & Saatchi



TOP TEN NETWORK TELEVISION ADVERTISERS—1986

FIRST QUARTER 1987

ADVERTISER	1986	Jan/Mar 1987	Jan/Mar 1986	% Change
1. The Procter & Gamble Co.	$451,529,500	$108,717,800	$115,579,100	– 6%
2. Philip Morris Companies, Inc.	342,443,900	77,312,000	56,836,600	+36
3. General Motors Corp.	233,786,000	80,108,100	63,048,000	+27
4. Unilever N.V.	202,371,300	59,385,300	52,749,900	+13
5. McDonald's Corp.	193,001,600	42,902,600	39,564,100	+ 8
6. Ford Motor Co.	188,815,200	36,999,300	52,442,400	–29
7. American Home Products Corp.	185,571,600	55,893,900	59,197,400	– 6
8. Anheuser-Busch Companies, Inc.	177,495,700	47,076,600	40,433,200	+16
9. Kellogg Co.	166,261,000	41,763,700	36,576,300	+14
10. Johnson & Johnson	164,321,700	55,371,200	36,708,600	+51

Source: Television Bureau of Advertising from Broadcast Advertisers Reports data

TOP TEN NATIONAL AND REGIONAL SPOT TELEVISION ADVERTISERS—1986

FIRST QUARTER 1987

ADVERTISER	1986	Jan/Mar 1987	Jan/Mar 1986	% Change
1. The Procter & Gamble Co.	$233,444,500	$39,344,500	$58,262,000	–32%
2. Philip Morris Companies, Inc.	132,181,500	22,433,800	22,375,700	–0–
3. Pepsico, Inc.	123,346,800	20,461,400	20,450,900	–0–
4. General Mills, Inc.	117,210,200	28,724,000	23,965,300	+20
5. Toyota Motor Sales Co., Ltd.	90,284,900	25,050,400	21,862,700	+15
6. Anheuser-Busch Companies	89,093,200	12,147,200	12,843,200	– 5
7. Coca Cola Co.	77,492,000	11,239,300	14,747,200	–24
8. Hasbro, Inc.	72,282,100	949,600	10,803,500	–91
9. Dart & Kraft, Inc.	61,488,900	12,977,800	9,303,400	+39
10. Unilever N.V.	60,692,000	13,904,600	14,885,900	– 7

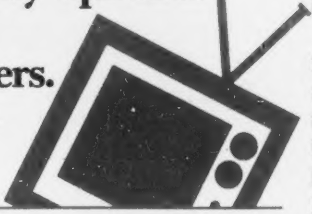
**Includes company and their dealer associations, all products and services*
Source: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data

DFS. "Scatter was terrible for everyone once we got past the fall. Whenever that happens, people get scared and say they want to put all their money in the upfront. That will automatically pull the upfront from $2.5 of $2.6 billion to $3.0 or $3.1 billion."

Ironically, a big network upfront is what led to a tight scatter market in 1986-87 when demand picked up for the remaining inventory. Moreover, the initial network sales strategy for 1987-88 appears to be to hold back as much time as possible for non-guaranteed scatter sales to minimize the impact of unpredictable people-meter ratings and because the networks believe the marketplace will tighten as the economy picks up later in the year.

Also, the network upfront is unlikely to grow to such proportions if the networks maintain their aggressive pricing position. "If the networks attempt to be that aggressive, then the battle will be fought in the scatter market," says BJK&E's Drexler. "There will be less money than expected," says Peter Chrisanthopoulos, president of RJR Nabisco Broadcast, who predicts the network upfront will grow only slightly to about $2.6 billion.

The market can't support both healthy upfronts and scatters.



Regardless of the exact ratios of upfront and scatter, buyers are expecting overall network prime-time price increases to be moderate.

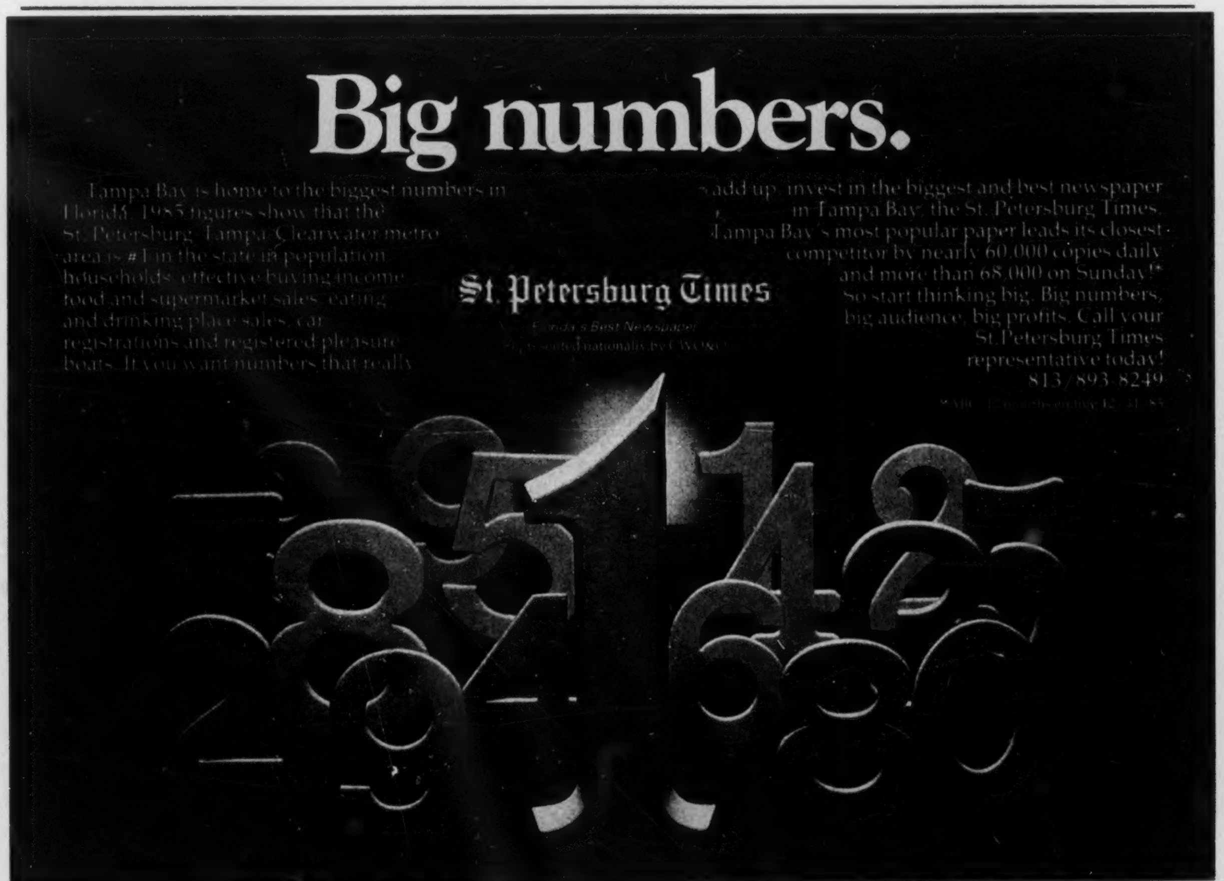
"I don't think the network marketplace is strong enough to support both healthy upfronts and scatters," explains Grey Advertising executive vice president/media Alec Gerster. "You can't have both unless you've got a major turnaround in network demand. And it doesn't seem to be there."

Meanwhile, the upfront performance of other network dayparts appears to be a mixed bag.

Daytime continues to be soft as ratings for the daypart continue to plunge and as buyers convert larger shares of their daytime budgets into :15's. "The big question with daytime is exactly how soft will it be," says Campbell's Mahrlig.

On the other hand, he notes that late-night prices are sky-rocketing because of increased demand from the beverage category. Demand is also up because people meters generally report higher viewing levels for late-night than does the current ratings system. "The numbers are a lot higher on people meters, so even to show a minimal CPM increase, rates will have to be up significantly," explains BBDO's Grubbs, noting that buyers are bracing for 30% increases in the daypart.

"There's a whole price shift going



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on for packaged-goods advertisers in late-night," adds Mahrlig. "Campbell's has been in the daypart for a long time and now we're being pushed out."

Aside from overall advertising demand, there are several factors that could affect the strength of the scatter market once all the upfront smoke clears.

Looming big in the minds of buyers are overlooked issues like the threat of strikes by the Directors Guild of America and the NFL, both of which could send the market topsy-turvy, according to Grey's Gerster.

Since the networks haven't filled their program inventory, the DGA strike would wreak havoc by forcing the networks to run less valuable reruns.

How the networks would fill the inventory left vacant by an NFL strike is of equal concern, especially since it would be hard to find alternative programing that delivers the same demographic skew.

And network planners don't even want to guess at what would happen if the Summer Olympics were to get a last-minute change of venue due to political unrest in Seoul.

SYNDICATION

While the impact of people meters was being debated in the network marketplace, barter syndicators took advantage by writing record amounts of upfront business from national tv advertisers.

"People were ready to move and the networks were playing cat and mouse with advertisers over people meters," explains Mike Weiden, executive vice president/advertiser sales of LBS Communications.

By most estimates, nearly $500 million in upfront syndication business was written before the networks began negotiating in earnest.

"Fear of the people meter has convinced advertisers that, now more than ever, syndication is the place to be," pitches Karl Kuechenmeister, executive vice president/media sales of Lorimar-Telepictures. "They're not sure what they're going to be getting from the networks, and we're a good place for them to hedge their bets."

Syndication profited from the debate over people meters.

Indeed, most syndicated shows should benefit from people meters. This is because most of their clearances come from independent stations, whose share of ratings are expected to improve with the new system.

But the key reason so much upfront money went to syndication is because syndicators were willing to make deals on terms that advertisers are used to. "We've made all our adjustments to people meters and we're ready to live with them," explains Group W vice president media Dan Cosgrove, who is also president of the Advertiser Syndicated Television Association.

According to Coen's forecast, syndication spending will grow 16% to $645 million in 1987, the biggest increase of any medium. But due to the record upfront business, Cosgrove thinks 1987 syndication spending actually will top $700 million.

Unlike the tough year syndicators faced during the 1986-87 season when a soft network market caused syndicators to slash prices, syndication is expected to benefit significantly by the aggressive early pricing from the networks.

Cosgrove estimates that barter time will get increases of 5-10%, depending on the daypart and the program. Although most of the barter inventory has already moved, International Advertising Sales president Brian Byrne predicts there could be a "second round"

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to the syndication upfront if the networks get too aggressive with their pricing. "At some point we start to look like a better deal," explains Byrne. Adds Cosgrove, "Those who keep a little back for scatter may be wise if the Olympics and elections tighten up the network inventory."

SPOT

Unlike network tv, spot is expected to be influenced significantly by both the Olympics and the elections.

"To me, that's all that counts. Who cares about the rest," says Laura Silton, senior vice president/general manager of local broadcast at McCann-Erickson. "I don't know if budgets are going to be up this year, so the big question is, is political advertising going to save the stations?"

According to the Television Bureau of Advertising, political advertising contributed $161.2 million to the spot marketplace in 1986. With a wide-open elections in both the Democratic and Republican parties, buyers expect 1987 primary spending to add to that.

"A wide-open election on both sides could play havoc on the marketplace," concedes Young & Rubicam senior vice president/director of local broadcasting Gary Pranzo.

But Katz Television president Peter Goulazian is a bit more conservative, noting that it will be hard to match the local political spending that occurred in 1986.

"I'm going to be conservative and estimate a 5% gain for the all of 1987," says Goulazian.

While Goulazian's 1987 estimate is slightly lower than the 6% spot increase to $6.97 billion forecasted by McCann's Coen, Goulazian says he is pretty optimistic about 1988, which he says "will see a solid double-digit increase of about 11%."

Of course, some markets will be stronger than others. At the moment, the West Coast markets are still considerably tight, while the Texas markets still are suffering from the oil economy. The rest of the country is considered moderate, according to most buyers, with some tight spots, including Florida.

But while the local Florida economy remains strong for local sales, buyers predict a boycott by national advertisers on the state's new advertising tax will have a damaging impact on the state's share of national spot dollars.

Although spot tv is exempt from the people-meter controversy until Nielsen begins wiring local markets in 1989, some think spot could benefit indirectly by the inflation people meters will cause on network CPM's.

"Spot will benefit from unaware comparisons of spot CPM's and network CPM's," explains JWT's Kostyra. "The spot CPM continues to have the diary inflation built into it. To those who don't take into account the different methodologies, spot could look more attractive." ■

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IT'S STILL FOLLOW THE LEADER

The cable nets still fall under the shadow of broadcast when it comes to pricing their time.

by Rich Zahradnik

Cable is as broadcast does. That convenient rule of thumb about cable CPM's has been true from the cable networks' early days, and remains true today.

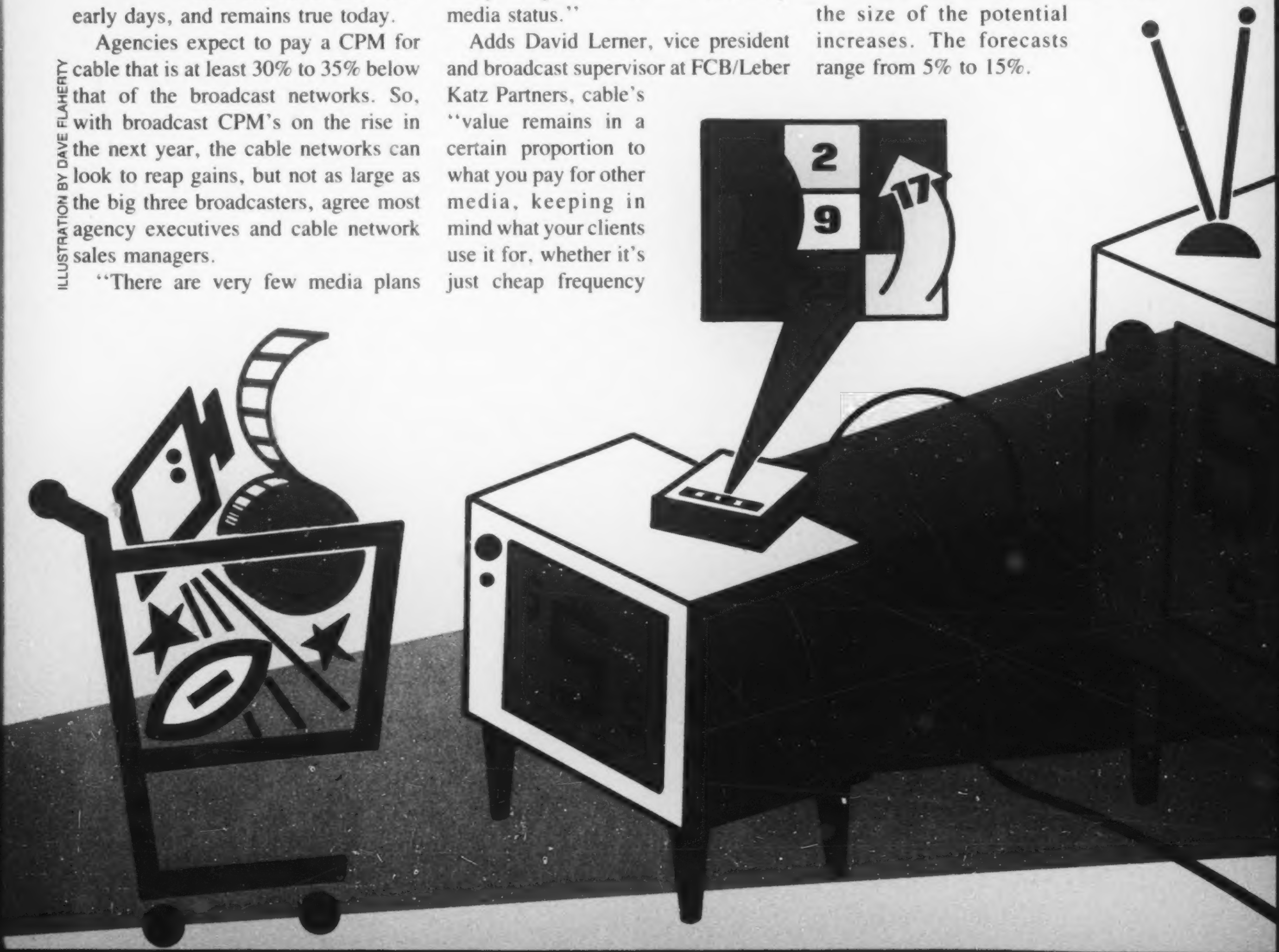
Agencies expect to pay a CPM for cable that is at least 30% to 35% below that of the broadcast networks. So, with broadcast CPM's on the rise in the next year, the cable networks can look to reap gains, but not as large as the big three broadcasters, agree most agency executives and cable network sales managers.

"There are very few media plans that call for use of just cable television," explains Thomas Winner, senior vice president and media director at William Esty Company. "Due to its penetration — the fact that it's only in half of the country — that really relegates cable to a secondary media status."

Adds David Lerner, vice president and broadcast supervisor at FCB/Leber Katz Partners, cable's "value remains in a certain proportion to what you pay for other media, keeping in mind what your clients use it for, whether it's just cheap frequency for some or to buy certain programing for others."

While there seems some general agreement that cable will eke out increases this year — primarily because network is seeing cost hikes — there remain some difference over the size of the potential increases. The forecasts range from 5% to 15%.

ILLUSTRATION BY DAVE FLAHERTY



Doug Greenlaw, sales vice president for the CBN Cable Network, says, "Cable CPM's will probably remain 30% to 35% below the over-the-air networks. And that, I would suggest, will be the case for the next year mainly because we are still the network stepchild. We're subject to what that 800-pound gorilla does, except that animal only weighs 650 pounds now," Greenlaw jokes.

Overall, he expects CPM's for cable to remain flat over the next year, though he adds that, as in past years, the services will continue to push up their revenues, penetration and audience ratings. Indeed, national advertisers' cable spending is expected to grow by 10% through the end of this year to $800 million.

On the agency side, Winner sees a 6% increase in cable CPM's, a figure that matches the expectations of several other media planners. Suzanne Shawn, Campbell-Ewald's vice president for network and new technologies, finds "some of the cable networks have had a tremendous year this year. I think they may be banking on that. I see some new productions, and I see the networks spending a lot on off-network (programing). They're going to want to get that back from someone."

Lerner is the bear in the group. "They probably feel they're going up," he says of the networks, adding simply, "I don't."

“They probably think they're going up. I don't.”

David Lerner
Vice president,
broadcast supervisor,
FCB/Leber Katz Partners

Unlike Greenlaw at CBN, executives at both CNN and Lifetime forecast what are, for cable, fairly large cost increases. Lifetime sales vice president Douglas McCormick forecasts a 15-to-20% increase, while CNN sales vice president Joe Uva pegs growth in the 10-to-15% range.

The differing estimates have much to do with the time-honored dance performed around the media negotiating table. Still, the media directors say they are cognizant of cable's efforts to move forward, particularly in light of the past year's high visibility campaign to buy or create programing with a new and special luster.

The very economics of two of the year's benchmark programing deals clearly illustrate, though, why agencies and clients don't feel compelled to pay higher CPM's to help foot the bill for better shows on cable. Ted Turner spent more than $1 billion to buy the MGM film library, primarily as a programing cache for his superstation WTBS. He has since begun a well-publicized effort to colorize the black-and-white films in the movie library to enhance them, he says, for viewing on television.

Over at ESPN, the sports network plunked down $153 million for three years worth of NFL games — 13 per season. The pact, considered a watershed agreement for the cable industry, and the Turner move are both part of cable's more than year-old effort to line up "punch through" programing.

But both deals show neither network had great hopes Madison Avenue would cover the costs of such an extensive investment in programing. ESPN is seeking huge increases in the monthly fees it collects from cable systems to help fund the NFL gambit. If cable system owners go along — and some already have — ESPN will end up the highest-priced basic service, charging cable system companies between 30 cents and 55 cents a subscriber each month.

The cable system connection is just as direct, maybe even more so, with Turner Broadcasting System's

TOP TEN CABLE ADVERTISING CATEGORIES—1986

FIRST QUARTER 1987

INDUSTRY CLASS	Cable Dollars (millions)	Jan/Mar 1987	Jan/Mar 1986	% Change
1. Food & Food Products	64,716.0	18,062.0	14,725.6	+22.7%
2. Toiletries & Cosmetics	54,631.0	12,419.6	12,934.8	− 4.0
3. Confectionery, Snacks, Soft Drinks	43,151.8	11,396.4	9,329.2	+22.2
4. Auto, Accessories, Equipment	40,439.3	10,118.0	8,924.8	+13.4
5. Mail Order	39,280.3	10,575.2	12,282.1	+13.9
6. Beer, Wine & Liquor	34,611.1	8,294.9	6,002.1	+38.2
7. Business & Consumer Svcs.	29,402.7	8,297.6	7,345.6	+13.0
8. Drugs & Remedies	28,572.3	9,010.1	6,497.2	+38.7
9. Entertainment & Amusements	27,929.7	5,443.2	6,715.5	+18.9
10. Soaps, Cleansers & Polishes	17,955.1	2,531.9	4,291.2	−41.0

Source: BAR/LNA Multi-Media Service
Cable Networks Monitored: CBN, CNN, ESPN, MTV, USA, WTBS

acquisition of the MGM films. Saddled with a huge debt load from that deal, Turner was forced to turn to the cable system companies, relinquishing a good deal of control of his cable empire to a consortium of cable companies, who invested more than $362.5 million in TBS equities. Again it was the cable systems to the rescue.

The other cable networks, though unwilling or unable to buy 1,200 films or an NFL package, have taken their own steps to boost their programing stature, either by buying off-network shows before they slip into syndication or ordering more of their own first-run series.

At CBN Cable, the key cost factor is programing and it's gone up considerably, says Greenlaw. "The syndicators are now looking at cable to air off-net programing. For instance, last fall we set a precedent by getting *Hardcastle and McCormick* right off the network."

This fall, CBN adds *Crazy Like A Fox* and *The Paper Chase*, he continues, "but the bad news is, it costs a lot of money. That's becoming the major factor now. Ted Turner would have made money last year if it weren't for the MGM deal."

The big question for most networks as they look ahead: Will they be able to fund such programing with just the unit price increases they're able to get through growing penetration and ratings?

New dial positions could lead to a shot at bigger audiences.

"They're going to have to," advises Lerner at FCB, "or they're going to have to keep spending in the red for a while." Concurs Esty's Winner, "They don't have to get more revenues from advertisers because they have a second revenue stream — the fees they get from cable systems."

This is not to say that the cable networks' spending — with, in some cases, a little help from their cable system friends — won't eventually pay off in handsome CPM's. TBS claims it's doing a better-than-average $6 CPM on colorized MGM movies, while ESPN expects at least a $10 CPM out of the NFL games.

"As the cable networks put on better programing and as they get better ratings, we can afford to pay more," states Winner. Lerner says a salesperson from ESPN told him that "the big difference (since the NFL announcement) is that people now call him."

What programing like NFL does for cable is battle the medium's biggest problem when it comes to driving up CPM's: too much supply. Broadcast network advertising may be measured in shows or even dayparts, but cable advertising is measured by the network — 16 or so of them.

Bart McHugh, senior vice president and director of national radio/tv programing at DDB/Needham, points out the growth of cable networks hasn't stopped yet.

"The Discovery Network is on the street and they're starting at 20 million homes" and attempting to attract the same kinds of upscale advertisers that the Arts & Entertainment Network and CNN go after, he says. "That cuts into a very specific slice of the pie," he

CABLE COMMENTS FROM BART McHUGH

Bart McHugh is senior vice president and director of national radio/tv programing at DDB/Needham.

On CPM growth for cable: "You've been seeing increases — minor increases. You're going to keep seeing them. You've got to remember that advertisers are waiting in line to buy the financial news shows. If ESPN clears football, they're going to be advertisers waiting in line to buy football."

On cable's growth: "You still have the universe growing. And so is the number of networks selling — Discovery is on the street now and they're starting out at 20 million households."

On the tough competition to win more of a client's budget: "If I come in with a $2 million cable budget, my CPM increase is going to be minimal compared to a guy who comes in with $400,000. All of the things you had in broadcasting, you have in cable in spades."

On cable's challenge: "They have got to continue doing what they're doing in terms of programing and promotion. The networks are working with each other."

On catching up with the broadcast networks: "I don't think anybody can say cable has reached parity with the three networks. I'm not all together sure that someday they can't make it. I also don't think I'll be around when they do." ■

TOP TEN CABLE NETWORK ADVERTISERS—1986 | **FIRST QUARTER 1987**

ADVERTISER	Cable Dollars (millions)	Jan/Mar 1987	Jan/Mar 1986	% Change
1. Procter & Gamble Co.	27,673.0	5,174.1	7,582.1	−31.8%
2. Philip Morris Cos.	22,186.4	5,427.6	5,453.5	− 0.5
3. Anheuser-Busch Cos.	19,486.8	4,283.7	2,877.4	+48.9
4. Mars Inc.	17,668.0	5,744.4	4,312.2	+34.0
5. Time Inc.	16,036.6	5,321.8	5,398.0	− 1.4
6. General Mills Inc.	15,537.9	3,655.0	3,099.5	+17.9
7. RJR Nabisco Inc.	10,455.0	3,746.2	2,279.9	+64.3
8. Gillette Co.	7,738.1	3,104.7	2,226.7	+39.6
9. General Motors Corp.	7,203.4	1,970.6	1,008.3	+95.4
10. American Home Products Corp.	6,821.3	1,838.0	1,735.4	+ 5.9

Source: BAR/LNA Multi-Media Service
Cable Networks Monitored: CBN, CNN, ESPN, MTV, USA, WTBS

warns.

So when it comes to any chance of rising cable CPM's, the battle for the networks remains matching still inadequate demand against bulging inventory. "I don't think it can be forgotten that cable is still a buyer's market," explains McHugh.

"The fact is," agrees Winner, "that cable has so much inventory to sell that it's very difficult for the demand to outstrip the supply. You'll never see a dramatic cost increase."

As a result, cable faces some very difficult choices, particularly in an era when many networks are still simply trying to attract a larger chunk of advertisers' budgets.

"Advertisers get rewarded for increasing share of budget to cable networks," says McHugh. But as he points out, the way you normally thank a client — giving them better efficiencies — does not do much for cable's desire to increase CPM's. Simply put, the choice remains pushing up the CPM or gaining more of an account's budget.

Greenlaw at CBN confirms that, adding that CBN runs at a 65% sellout rate, but would need a 90% rate to gain a better CPM. "We'll just get bigger budgets," he says. "You have to remember there are so many avails in cable."

And even when a cable network decides its goal is to win a higher CPM from an advertiser who is buying no more than last time around, the path can be treacherous, warns McHugh. "You still don't have a majority of the agencies or the client side convinced that if they don't have cable, they're going to die."

But network executives and media observers do see ways cable networks can close the gap between themselves and the broadcasters. In the main, it requires cable to create vehicles with limited inventory that advertisers want to be a part of.

Most often cited is the business news programing on CNN. The network's five daily shows and three weekly shows regularly attract a $9 to $11 CPM, far and away the big earner for the news network.

With the demise of the syndicated *Today's Business* and FNN's inability to attract strong ratings, says CNN's Joe Uva, "we've actually become stronger and the demand has increased for the business programing and the CPM's have stayed in the $10 to $12 range." Over the next year, he expects the CPM's on the business shows to rise another 15%.

No doubt because of its success in business, CNN looks to create other opportunities. This fall, the network will launch a nightly series, *Election '88*, that will run through next year's campaign. Uva hopes the Monday-to-Friday show will sell at a $5 to $6 CPM during its run. And, as mentioned, ESPN's NFL football will probably set a cost benchmark for that network.

Each service seems to have one or more shows that attract enough demand to outstrip supply. "The fact of the matter is there is a finite amount of attractive inventory that's out there," says McCormick at Lifetime. The key word there, of course, is attractive.

Another issue facing cable over the next year or two is whether the people meter will make the networks themselves any more attractive to advertisers.

The consensus so far is that people-meter data will ratify advertisers' commitments to cable by showing stronger demographic numbers than have been reported before. As a result, the networks will probably be able to raise unit prices, but it's doubtful they'll get much CPM mileage out of the new numbers.

"It's still a little early to tell," reports Robert Alter, president of the Cabletelevision Advertising Bureau. "On a household basis, it shows ratings about the same as the household meter."

"I see it justifying some of their numbers," says Shawn at Campbell-Ewald. "I don't see them increasing prices that dramatically where it would really make a difference."

Meanwhile, cable's deregulation, which took place in January, has yet to prove either a positive or a negative for the industry. Under deregulation, cable operators were allowed to charge more for their subscriptions, while at the same time they were permitted to move different networks around on the dial. The basic networks hoped the resulting new channel positions would give them a shot at larger audiences.

"When it was all starting, they all came to me and said, because of deregulation, we're going to see this, that or the other thing," says Shawn. "I haven't seen it. And I don't think they have." ■

CROSSED SIGNALS

Network's golden days are looking a little tarnished, but there's a glimmer of hope for the spot market.

by Rich Zahradnik

For the past two years, network radio has been sizzling along at a pace that has been the envy of other media. Radio networks picked up business at a heady clip while revenues for other media, including national spot radio, were staggered by the slowdown in advertising spending.

But the joy ride appears to be over. Most pundits predict a falloff for network radio in revenue and CPM growth. Conversely, there is a body of opinion — small, but growing — that believes national spot radio may be starting to recover from its doldrums.

Driven by the great efficiencies it offered in a time of advertising budget cutbacks, network radio sales jumped 16% from 1985 to 1986, finishing the year at $380 million, according to the Radio Networks Association. To top it off, the RNA reports that the networks carried ads for 900 different products and services in 1986, a colossal leap from the 600 the association estimates for the year earlier.

Though RNA president Robert Lobdell readily admits some of those products may have only been on the airwaves for one-week schedules, the figures are still telling. Radio networks, with their finely tuned demographic appeal, were hauling in the customers through 1986.

At the same time, more expensive national spot radio wasn't doing so well. The Radio Advertising Bureau reports national spot revenues climbed barely 2% during 1986 to $1.33 billion. Spot was obviously dealing with the same kinds of difficulties most of the other media faced.

"I was satisfied with what happened last year — it was a couple of percent, but not too extreme," says Jerry Riemer, regional supervisor for the Busch Media Group. Riemer is on the right side of the fence to be satisfied with a limited increase in spot CPM's.

As for network radio's days of glory, they seem to be coming to a close for now, just as some of the other media — particularly television — are hitting their stride. "I would expect that network CPM's would not increase beyond perhaps 5%," says Lobdell, even given "a broader base of

NETWORK
SPOT

ILLUSTRATION BY DAVE FLAHERTY

advertiser involvement in the medium."

He won't find much disagreement among media folk. Mark Brown, radio supervisor at Campbell-Ewald, already sees an easing off in the network market. "It seems like at least for the summer time, it's been slow," he says. "We're certainly hoping a slow marketplace is going to make for some even better deals next year."

An exact estimate on CPM movement would be difficult, he continues. But based on what he's seen so far, Brown foresees network radio only rising in the low single digits.

As it happens, radio's upfront selling starts to heat up in just a couple of more months, and that's where the market will really begin to reveal itself. And even in years when network was hot, Brown says he's found the best deals in the upfront.

Last year, for example, "when we got into the upfront, I think they were looking to close on some big deals," he says. "Because of that, we were able to get some pretty decent efficiencies." He forecasts that since late scatter money hasn't come into the radio market this year, the networks may try to lock up even more money in the upfront selling, offering great deals. That could potentially freeze or lower CPM's.

"Network radio is going soft right now and it's been going soft for a couple of months," explains one planner with a major agency. "The revenues are flat from last year. I tend to think you're not going to be seeing that many CPM increases." Five percent "or under" is this planner's forecast because "television is eating up so much money that it's taking dollars out of the market."

Last year at this time, the planner continues, radio CPM's were running in the high single digits — "You had to commit way ahead of time to get what you wanted."

But with volume moving into tv — and the higher spending that requires — the extra money that may have been added to budgets this year is disappearing before it comes time to buy radio. "It's been tough — it's hitting them really hard," the planner concludes.

Joel Kushins, senior vice president and media director at Bozell, Jacobs, Kenyon & Eckhardt, isn't so negative. "They will probably have a fairly good year coming into next year, but not double digit by any stretch of the imagination," he says. "I would think there might be some increases coming on the rebound of what promises to be a pretty healthy television season."

His reasoning is that radio might just benefit during an election/Olympics year if television inventory gets swallowed up fast and advertisers seek out alternatives. "I'm sure that advertisers who have recognized the purchase of radio will probably continue to seek that out."

Kushins foresees network radio CPM's climbing 5-6% during 1988.

But national spot won't be so lucky, counters the media director. "If you were to gauge any increases by what we're seeing now, the marketplace in national spot radio is somewhat open. It would be the last of the components to move — after network radio, after network tv."

At the NBC Radio Networks, recently acquired by Westwood One, the thinking on radio CPM's matches that of Kushins. Stephen Soule, vice president of sales, forecasts a 6% increase, "mostly as a result of inflationary factors. It may go a little higher, but definitely under double digit."

In past years, he explains, radio cost increases have resulted directly from the demand placed on the medium by new clients and, particularly, new products. That influx has leveled off, bringing about a stabilization in the ra-

A TALK WITH JERRY RIEMER

Jerry Riemer is the regional supervisor in the Busch Media Group's Atlanta office.

On radio costs in the past: "We've pretty much held costs stable the past couple of years. I expected a bump last year and didn't get it. The market was a lot softer than we had expected it to be. I think the people who were negotiating on this particular piece of business were a lot harder and lot more adamant on what was acceptable."

On the debt being accumulated to buy stations: "Guys who are going out and paying major amounts of money for radio properties have got to find ways to get cash coming in. I don't know if it's going to be higher rates."

On increasing competition: "In order to generate an audience, people are going to have to do more in the way of promotional activity. A $1,000-a-day giveaway may someday have to become a $10,000-a-day contest."

On radio's benefits: "Radio has a fundamental strength that I don't hear about a lot about and that is its intimacy, its ability to talk to people one on one. That's one of the strongest features that radio has to offer." ■

dio market, he adds.

The NBC executive does expect to benefit from the summer Olympics, which his company has the rights to. But rather than simply air numerous features from the Olympics — the standard radio approach to the games — NBC Radio has elected to offer four hours of live, nightly coverage from Seoul, Korea.

The coverage will air every day from 10 p.m. to 2 a.m. Eastern time. "It was a way to use the 14-hour time difference to a great advantage," he explains. "That time of day will insure good station clearances."

Though NBC is just now working to clear stations for the offering, Soule expects to sell as much as 60-70% of his Olympic inventory before the radio upfront market concludes in the fourth quarter.

Overall, network radio's fortunes have changed for several reasons, not the least of which is the fact that automakers' inventories are not piled as high as they were last year.

Faced with mounting supplies of cars and slack demand, the big three car makers last year launched their blitz of financing incentives, buying up all kinds of time as they one upped each other with low interest rate and rebate offers. That bonanza of advertising business isn't around this year; the radio networks are feeling it.

The auto companies "spent a good deal of money in network radio last year because they had a terrible inventory problem — General Motors had a 91-day supply of cars," explains RNA's Lobdell. "These were fast-breaking national efforts. They needed to cover the whole dealer network. They needed to expose the message quickly, completely and in quantity, and they could do that through network radio."

And even though the auto programs came in as scatter business, they had a broad impact on the radio marketplace, says Brown, who works in Campbell-Ewald's Detroit office, because it was "something they figured into their projections." Now that there are no auto campaigns this year, the networks are feeling it.

In television, the people meter already has almost everyone running around in circles wondering about the impact of the new ratings system. Surprisingly enough, there's some concern the new tv ratings may hurt the radio networks. That's because the meters could produce stronger ratings for the cable networks and such improvement would make cable an attractive alternative for advertisers using radio, at least for the short term.

Asks Sylvia Hughes, vice president of radio research for the CBS Broadcast Group, "If the people meter turns out to show ratings for network tv that are lower than what the networks have been saying, and if the ratings for cable are slightly improved . . . will cable be a bigger bargain than network radio?" Hughes thinks so, adding the change will allow cable to mop up money originally destined for radio — that is, if the cable networks can control any urge they might have to make too much of the ratings gains by asking for price increases that are out of line.

With little hope for an early return to the grand sales and CPM increases of the past, network radio still faces an increasing cost base. According to Hughes, compensation to affiliated stations will probably climb more than 3% this year, as will other overhead items at the networks.

Higher labor costs are also in the offing, she and Lobdell of RNA agree, particularly following some of the labor strife earlier this summer. "It is a labor-intensive business," adds Lobdell. "There's always the question of people costs."

But the greatest pressure on the radio

RADIO REVENUE GROWTH
Millions of Dollars

Year	Spot	Local	Network	Total
1986	$1,332.6	$5,313.1	$380.0	$7,025.7
1985	1,319.4	4,915.0	328.7	6,563.1
1984	1,184.4	4,412.0	288.0	5,884.4
1983	1,022.8	3,739.0	253.5	5,015.3
1982	909.4	3,365.0	217.5	4,491.9

Source: Radio Advertising Bureau

RADIO'S 1986 TOP TEN ADVERTISERS

Network	(Millions of Dollars)	Spot	(Millions of Dollars)
1. Sears Roebuck	$47,658	1. Anheuser-Busch	$50,420
2. Warner-Lambert	22,707	2. General Motors	35,153
3. AT&T	22,552	3. Miller Brewing	28,724
4. General Motors	22,211	4. PepsiCo.	22,342
5. Anheuser-Busch	16,529	5. Sears Roebuck	21,928
6. Bayer AG	16,206	6. Delta Air Lines	21,708
7. Greyhound	15,544	7. Chrysler	21,071
8. Ford	14,871	8. Southland	19,962
9. Procter & Gamble	13,878	9. Van Munching & Co.	18,670
10. Schering-Plough	11,442	10. Pillsbury	18,178

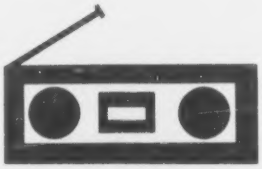
Source: Radio Advertising Bureau

networks will probably still be exerted from above. The new corporate owners that almost all of the radio networks picked up in the last year are looking for bottom-line performance: sales that climb and costs that fall. And few of the new owners seem so enamored with radio that they would hang on to networks that don't do them much good financially.

"I think that the most difficult thing they face is the change of ownership," says one agency observer. "They need to have this revenue coming in — it's mainly management pressure."

On the spot side, the business may be changing its tune. National spot radio has had problems in the past year, problems that will continue through the end of the year but may start to disappear as 1988 gets underway.

At McGavren-Guild Radio, the rep firm that handles stations in more than 200 markets, president Ellen Hulleberg sees a weak market in the short term. Through the end of 1987, she advises, spot will remain pretty flat and the year will finish with no growth in CPM's for the medium.



The high cost of recent station acquisitions and the big dollars needed to lure top talent will undoubtedly find their way into the ad rate structures for radio in 1988.

Next year, on the other hand, spot could come up with a 5% increase in CPM's, a development Hulleberg senses from the way fourth quarter has already started to tighten up. She expects the business to benefit in particular from the widely-heralded move towards regional marketing, citing Campbell Soup Co. plans to market its products on a more regional basis. Overall, she adds, spot can count on the promise of election year and Olympic spending.

"With the Olympics and political campaigns, I'm going to get a bump this year, more than I would like to pay," agrees Riemer at Busch Media. He's expecting CPM increases that could total between 5% and 10%. He adds, "The war will be a difficult one this year."

CBS's Hughes is the most pessimistic about spot's chances of showing gains in the next year. "National spot is going to have some increasingly difficult problems over the years," she says. "The last couple of years have not been good and I don't see anything on the horizon that says to me next year is going to be better."

All in the medium agree a major problem facing the stations is leverage, or, more specifically, the amount of leverage some new owners took on when they bought stations in recent years.

"How do you pay for all those millions of dollars?" asks Riemer. "I'm afraid it may drive down the quality of radio. People will get so desperate for income, you'll see eight units an hour go away. People will start to sell 12 units an hour."

Riemer also worries about the ever-escalating cost of on-the-air talent. He relates that WSHE in Miami just spent in the six figures to win away the morning team that was working at rival station WGTR.

But whether it's increased debt service or skyrocketing salaries for talent, radio stations will have a tough time covering such rising costs in the coming year, at least if they expect to do so with CPM increases in their national spot sales. ■

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MEDIA COSTS/CONSUMER MAGAZINES

DOUBLE TROUBLE

Publishers are feeling the pressure from both sides as they set next year's magazine ad rates.

by Fred Pfaff

You don't want to be a publisher this fall, at least not during 1988 budget deliberations. Their costs have risen dramatically, but so have clients' ire over rate rises and agencies' determination to win rate concessions at the bargaining table.

"We are under tremendous cost pressure as an industry," notes Reginald K. Brack, Jr., president of the magazine division of Time Inc. Two of magazines' age-old cost pushes — postage and paper — are going up in price after a few years of price stability, and the prospect of taxes on advertising in other states beyond Florida looms large.

ILLUSTRATION BY DAVE FLAHERTY

On the buying front, publishers have to contend with the fast-rolling snowball of negotiation. Such noted seers as DDB Needham senior vice president, director of media planning and operations Paul Zuckerman and Bozell, Jacobs, Kenyon & Eckhardt executive vice president, national media director Michael D. Drexler envision a future where negotiation is commonplace and many major magazines drop rate cards ("Media to Square One," July, pg. 29). Even though most report the strong books aren't dealing, buyers say their clients smell blood. They're prepared to push harder than ever.

Dimming the prospects further is the cloudy ad climate. Pages fell 1.4% to 152,643, while price hikes boosted revenues 3.3% to $5.1 billion in 1986, according to Publishers Information Bureau. For the first five months of this year, pages squeaked up 0.3%, while revenues increased only 2% over the same period in 1986. Major publishers look for a slight uptick in business in the fourth quarter, but they're wary of shrinking client budgets and generally fearful that this year they can't pass on costs to the advertiser. Many publishers can't see rates going up more than between 5% and 8%.

"With the economy still not up to snuff, advertisers are trying to hold the

line on rate increases and negotiate more," says James D. Speros, corporate media manager at AT&T, who looks for rate rises of 4% to 5%. "On the whole, we're not seeing incredible circulation gains. So it's not a good time to hit advertisers with strong rate increases. Advertisers want magazines to take introspective looks at their own businesses, ask some hard questions and find ways to cut costs."

"I don't think you'll see ad rates go up as high as they should this year," affirms Dale Lang, managing partner of the Working Woman/McCall's Group (a joint venture with Time Inc.), who points out that publishers' costs often rise at a higher level than the Consumer Price Index. "I think publishers will just tighten their belts, because they don't think the industry is strong enough to sustain the kind of increases that publishing inflation calls for." Hearst Magazines executive vice president, group publishing director George Green shakes his head and agrees: "Big increases aren't in the cards at all this year."

Big cost hikes, however, are. In March, the U.S. Postal Service filed for an overall rate increase of 16%. It will smart. According to P. Robert Farley, a senior vice president at the Magazine Publishers Association, postage represents about 9% or 10% of the average magazine's costs. First-class mail, which magazines, like other businesses, use for day-to-day business correspondence, is slated to go up 16%, from 22¢ to a quarter; third-class, which publishers use for promotional mailings, would rise 23%; and second-class, the rate at which publishers send out their magazines, would increase 13.8%. Since second-class is priced by weight, notes Hearst's Green, the increase will most affect publishers who print books on fine (read: heavy) paper and fatten them with ads.

Media directors are prepared to push harder than ever for rate or merchandising concessions for the coming year.

There is a chance to ease some of the burden, notes Chris Lehman, vice president of operations at Meredith Corp. According to Lehman, large publishers can win marginal discounts through a variety of mail presorting techniques.

No publisher can get around a paper rate increase, however. After dipping about 8% late in 1986, the price of coated groundwood paper — which, the Magazine Publishers Association reports, accounts for about 73% of all magazine paper — will rise 8%, effective July 1. As Meredith's Lehman notes, the increase caught publishers by surprise. As James L. Hutchison, vice president, paper group at the American Paper Institute, reports, new machines built last year by International Paper, Consolidated Paper and Bowater Consolidated have boosted supply by 9.5% this year.

"But since May, the orders for coated paper have come in much higher quantities than could have been anticipated," says Hutchison. When supply looked ample earlier this year, he says, many publishers cut their inventories. They knew their soft advertising environment wouldn't make them aggressive paper buyers; the MPA's "Paper Outlook" reports that publishers expect to increase their consumption by only 2.6% this year over 1986.

The pressure comes from other customers. Consumption by direct mailers, Hutchison notes, has grown by 6%, while producers of free-standing inserts have been using 10% more coated paper than a year ago. Most of all, catalogers, expecting strong fourth quarters, upped their orders dramatically in May, causing backlogs in delivery that have prompted other heavy users to increase their orders.

Luckily for publishers, printing and binding shouldn't mandate crippling new outlays. "We've been fortunate in that the printing industry seems to be particularly competitive today," notes

CONSUMER MAGAZINES ADVERTISING RATE INDEX

Year	Unit Rates	Cost-per	Consumer Price
1970	100	100	100
1977	119	123	156
1978	120	135	168
1979	140	146	187
1980	156	162	212
1981	173	179	234
1982	189	195	249
1983	203	212	258
1984	224	227	269
1985	241	242	279
1986	263	261	284
1987 (est.)	274	271	295
1970-77 increase	19%	23%	56%
1977-87 increase	130	120	89

Source: James B. Kobak & Company

BASIC DATA FOR CONSUMER MAGAZINES SELECTED YEARS—1970-1986

	1986	1985	1984	1983	1982	1980	1970
Number, including farm publications	1,866	1,859	1,816	1,759	1,644	1,506	1,182
Advertising in major magazines							
Pages (per year)	152,100	152,100	153,800	133,000	120,800	115,300	76,900
Dollars (millions per year)	$5,120	$4,920	$4,668	$3,421	$3,222	$2,374	$1,169
Circulation per issue ABC audited magazines (millions)							
Single copy	78	81	82	83	86	91	70
Subscription	251	243	233	222	217	174	173
Total	329	324	315	305	303	265	243

Source: James B. Kobak & Company

Lehman. "We've been able to hold those costs pretty much in line."

Still, the cost of gaining and maintaining circulation — over 27% of publishers' costs — has been rising every year while circulation profits decline, notes Dale Lang, whose newfound association with Time Inc. has allowed him to cut his circulation outlays. "With the proliferation of titles in the last five years, and more people working," he explains, "you have to make more and more mailings and phone calls to get a subscription sold." On top of this, he adds, "There's more churn; many are subscribing for a year and not renewing."

To make matters worse, he notes, non-magazine products are causing a crowd at the checkout counter. Circulation experts concur that books that aren't top sellers or lack the multi-title clout of a Time Inc. or a Hearst have trouble getting upfront positioning. Their recourse is to sweeten their bids to retailers by offering greater "incentive payments." Newsstand supply and demand, one publisher reports, has pushed up his outlay almost 40% in the past five years.

Meanwhile, "Nobody wants to work for less," pipes in Joseph Fuchs, a corporate vice president at Conde Nast Publications, Chris Lehman agrees that salaries probably will rise more than the inflation rate. To attract talented editorial people, "you *have* to put up higher salaries and benefits," stresses Fuchs.

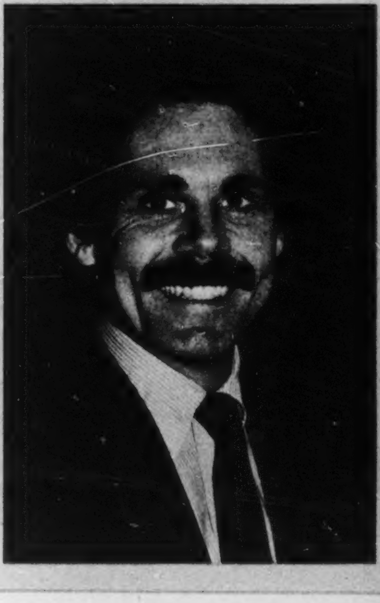
That's *their* problem, thinks Fred Wray, senior vice president, media director at Foote, Cone & Belding/Chicago. Others nod in agreement: Magazines have passed along rate rises that exceed inflation and their clients' budget hikes for too long to suit them. It's time, the chorus goes, for publishers to cut costs.

"Like they really know our profit structure," rebuts one publishing executive with a multi-title company. "I haven't heard one agency say, 'Because client budgets are the same or less than a year ago, we're going to cut costs in order to stretch dollars.' Yet they turn and say, 'We expect you to do better by us.' "

But a number of publishers are tightening their belts. "We have no intention of passing along all of our rising costs to advertisers," says Time Inc.'s Reginald Brack. He has embarked the company on a cost-cutting program ("Brack's Time," July, pg. 40) that has consolidated responsibilities, cut jobs, made circulation more profitable and boosted profits by more than $20 million this year. And Meredith, says Lehman, realizes that "we have to become more efficient in our own operations," and has embarked on a cost-cutting program that will include job reorganizations and changes in purchasing policies.

TOUGH TALK WITH FRED WRAY

Fred Wray is senior vice president, media director at Foote, Cone & Belding/Chicago.



On 1988 magazine costs: "I anticipate unit cost rises of 5%. Business is extremely tight. If a book is hot, they can afford to walk in with stronger increases. If they're desperate, they have to make themselves more attractive. Margins for clients have fallen off, and the first place they're turning to help rebuild margins is ad budgets.

"Magazines have had the nerve to walk in and ask for rises of 9% and 10% when that's not the level of rise in the general economy. What it comes down to now is whether or not they're willing to raise rates and get zip in business. I don't think any magazines are

CONSUMER MAGAZINES SOURCES OF REVENUE

Year	Advertising	Subscriptions	Single Copy
1970	64.33%	27.91%	7.76
1977	55.47	29.59	14.94
1978	53.69	28.67	17.64
1979	52.22	30.41	17.37
1980	51.14	32.67	16.19
1981	51.08	33.30	15.62
1982	50.19	33.32	16.49
1983	49.87	33.70	16.43
1984	51.91	32.97	15.12
1985	49.70	33.29	17.01
1986 (est.)	50.40	33.60	16.00

Source: James B. Kobak & Company

Another thing likely to hold rates down is the growing practice of negotiation. Buyers and sellers alike say that *McCall's* has cast a pall over pricing by dropping its rate card. "Publishers have to keep in mind the move *McCall's* made," says Lehman.

Some buyers anticipate publishers will announce artificial rate hikes in order to end up with the price they want after negotiation. "Everybody will negotiate *something* with you," notes W. B. Doner & Co./Los Angeles media director David Buckley. Hoping to give clients ads he can prove actually work, Buckley is taking a second look at coupon ads in free-standing inserts. Also, he plans to make publications more accountable for the sales results, even from image ads. "Sooner or later," he warns, "on a post-buy analysis, magazines are going to have to answer for those rate increases."

"Fewer magazines will get more business," says Fallon McElligott media director Jim Sandstrom. "We'll try to maximize our frequency in the books we do use. And we'll be tougher on things like position guarantees and merchandising." Sandstrom wants to negotiate hard. "We're anxious to make print as much a commodity item pricewise as broadcast," he adds. "We want to be able to extract more from a client's budget — get more books on a schedule of more pages of advertising."

While he thinks "Some books have been fair in their pricing and don't deserve to be hit hard for rate concessions," Mike Gross, vice president, associate media director at J. Walter Thompson, says, "We're between a rock and a hard place. Clients read about cutting rates, and they're going to demand the best rates. You can say to them, 'Five years down the road, there may be negative ramifications — some books will go out of business.' But it's still our job to get the best deal for our clients. They'll say, 'You're telling me we aren't going to press for the $200,000 we saved last year?' "

Not surprisingly, publishers say they're going to hold off setting rates as long as possible to gauge the going prices before they make their moves. "We'll put it off as long as we possibly can this year," attests Hearst's George Green. "We don't intend to be the leaders in setting rates. We want to get as clear a picture as possible before we go ahead."

Green does have a price ceiling in mind, though. While a popular title like *Country Living* may be able to bank a substantial increase on its rising circulation and ad-page counts, Green says, overall he can't see rates climbing any more than they did last year — an average of about 5% at Hearst. "And I don't think you'll see corporate across-the-board increases," he adds.

Publishers are looking for ways to improve their efficiency for advertisers before heavy-handed negotiators press them into giving away the store. More are turning to advertising packages that reward an advertiser for placing more business throughout their publications. Shortly before *McCall's* dropped its rate card, Meredith, publisher of competitors *Ladies' Home Journal* and *Better Homes and Gardens*, expanded a combination buy for the two magazines into a package including all Meredith magazines and special opportunities to bring Meredith's radio, book publishing and real-estate services into a buy.

On the lookout for new package introductions, buyers and sellers alike turn their eyes toward Murdoch Magazines, a notable holdout, and smaller

willing to take that risk."

On the FSI alternative: "FSI's have siphoned off a dramatic amount of revenue from magazines over the past four or five years. They give the same four-color reproduction, solid circulation and great coupon redemption. But the clutter problem now is incredible. Too much of a good thing."

On the medium's responsibility: "Acceptance won't be strong for magazines who raise rates 10%. Their job, like mine and my clients', is to control costs. The one who controls costs the best will win the most. My clients aren't getting 10% more for their goods. How can I expect to make them pay 10% more?" ■

146 Reasons to buy CONTINENTAL

1. Acapulco
2. Albuquerque
3. Amarillo
4. Atlanta
5. Auckland
6. Austin
7. Bakersfield
8. Baltimore
9. Baton Rouge
10. Billings
11. Bismark
12. Boise
13. Boston
14. Bozeman
15. Bradenton
16. Buffalo
17. Burbank
18. Burlington
19. Calgary
20. Cancun
21. Casper
22. Cedar Rapids
23. Chicago
    (O'Hare & Midway)
24. Charleston
25. Charlotte
26. Cincinnati
27. Cleveland
28. Colorado Springs
29. Columbus
30. Corpus Christi
31. Cozumel
32. Dallas
33. Denver
34. Des Moines
35. Detroit
36. Durham
37. Edmonton
38. El Paso
39. Eugene
40. Fargo
41. Ft. Lauderdale
42. Fort Meyers
43. Ft. Worth
44. Fresno
45. Grand Junction
46. Great Falls
47. Greensboro
48. Greenville
49. Guadalajara
50. Guam
51. Harlingen
52. Hartford
53. Honolulu
54. Houston
    (Intercontinental & Hobby)
55. Indianapolis
56. Islip
57. Ixtapa
58. Jackson Hole
59. Johnston Island
60. Kansas City
61. Knoxville
62. Kosrae
63. Kwajalein
64. Lafayette
65. Las Vegas
66. Lincoln
67. London
68. Los Angeles
69. Majuro
70. Manila
71. McAllen
72. Medford
73. Melbourne
74. Mexico City
75. Miami
76. Midiand
77. Milwaukee
78. Minot
79. Minneapolis
80. Missoula
81. Monterrey
82. Montreal
83. Nadi
84. Nagoya
85. Newark
86. New Orleans
87. New York
88. Norfolk
89. Oakland
90. Odessa
91. Oklahoma City
92. Omaha
93. Ontario
94. Orange County
95. Orlando
96. Ottawa
97. Palau
98. Palm Springs
99. Papeete
100. Pensacola
101. Philadelphia
102. Phoenix
103. Pittsburg
104. Pohnpei
105. Portland, ME.
106. Portland, Ore.
107. Providence
108. Puerto Vallarta
109. Raleigh
110. Rapid City
111. Reno
112. Rochester
113. Sacramento
114. Saipan
115. Salt Lake City
116. San Antonio
117. San Diego
118. San Francisco
119. San Jose
120. St. Louis
121. St. Paul
122. St. Petersburg
123. Santa Barbara
124. Sarasota
125. Seattle
126. Sioux Falls
127. Spartanburg
128. Spokane
129. Springfield
130. Stockton
131. Sydney
132. Syracuse
133. Tacoma
134. Tampa
135. Tokyo
136. Truk
137. Tucson
138. Tulsa
139. Vancouver
140. Washington, D.C.
     (Dulles & National)
141. West Palm Beach
142. White Plains
143. Wichita
144. Worcester
145. Yap
146. Zihuatenejo

Now we're giving you even more reasons to choose CONTINENTAL inflight magazine as your advertising vehicle.
Continental Airlines' expanded service to more than 145 cities and major hubs in Denver, Newark, Houston, Washington, D.C. and Honolulu have made us one of the world's largest inflight magazines.

Our circulation has grown by a record 500% since 1985 and we now boast a monthly circulation of 400,000.

That means 3.6 million readers for your ad each month!

The only thing that hasn't increased is our CPM.
In fact, we now offer one of the lowest in the industry.
CONTINENTAL delivers coast to coast—and beyond.

Call Jim Stone, Advertising Director, Brighton Inflight Group at (512) 328-4560 for more information on hub rates and combination rates with the other Brighton inflight magazines.

CONTINENTAL
A member of the Brighton Inflight Group, publisher of CONTINENTAL, Braniff's DESTINATION and Hawaiian Airline's IN PARADISE.

specialty publishers. Hearst's George Green, for one, can see the smaller fry banding together to form packages of books owned by different companies.

But while such packages as the Hearst Gold, Home, Man Power and Women's buys offer savings of up to 30% (Hearst's are unique in that an advertiser's pages count toward both the package and individual titles' frequency discounts), many buyers are wary of packages. Fallon McElligott media director Jim Sandstrom, for one, wouldn't put more business into a book just to get a package discount, and many agree, since most package discounts aren't great enough to cover the cost of a book an advertiser doesn't really need.

Citing that they do not intend to pass on all cost hikes to buyers, many publishers are cutting their own internal costs.

"We try to stick to the media plan and not let pricing be the tail that wags the dog," explains Sandstrom. "And too many of those family kinds of buys marry a strong publication with an also-ran. It helps the publishing company, of course, but it does the client no good in the end."

Knowing they'll be hit head-on with the issue of price, publishers are gearing up to promote product quality more heavily than ever. "We clearly haven't been doing that well enough," says George Green. "So now we're trying harder to say, 'It's the impact — what comes from advertising — that matters, not price. All magazines aren't created equal."

When it's down to that argument, buyers say, there's tough times ahead in Magazineland. ■

MEDIA COSTS/BUSINESS MAGAZINES

VERTICAL HOLD

The trade magazines' rate increases will run head-on into paper and postage hikes — not to mention the pressure to deal.

by Carol Hall

Ask a publisher or a media director what 1987 rate increases look like for the business press and you hear the word "flat" in stereophonic sound. Ask them for actual figures and you realize just how relative this term can be. Though agency-based seers predict a range of 4% to as high as 9%, and publishing honchos come up with figures in the 6% area, publishers' increased costs of doing business may indeed crush any rise.

While not the astronomical, double-digit jumps of years past, the hikes do exceed the expected increase in inflation. One big reason is the approach of a whopping postal rate increase, expected to become official by next summer. Elsewhere, though the industry is looking at minimal increases in printing and labor costs, paper rates have just risen for the first time since 1985.

Publishers also continue to come under pressure from agencies and advertisers to "make a deal." They are being pushed for merchandising offers and other value-adds, as well as package deals, or group-buy discounts. And, of course, there is the specter of the vanishing consumer-book rate card for business magazine publishers to shoo away.

Through it all, publishers are hoping to make up for lost space. This year's ad page count for the business press looks like it will be down, after a 4.5% drop in 1986, according to Gordon Publications.

It won't be easy to recoup those pages. Some warn that more b-book dollars are being siphoned off into other media — direct mail being the top contender, but more general interest books and even tv being in the running. On top of all that, observers are making the long-term prediction that many categories will be shrinking down to two or three strong books — period. Says Ron Coleman, president of the Business/Professional

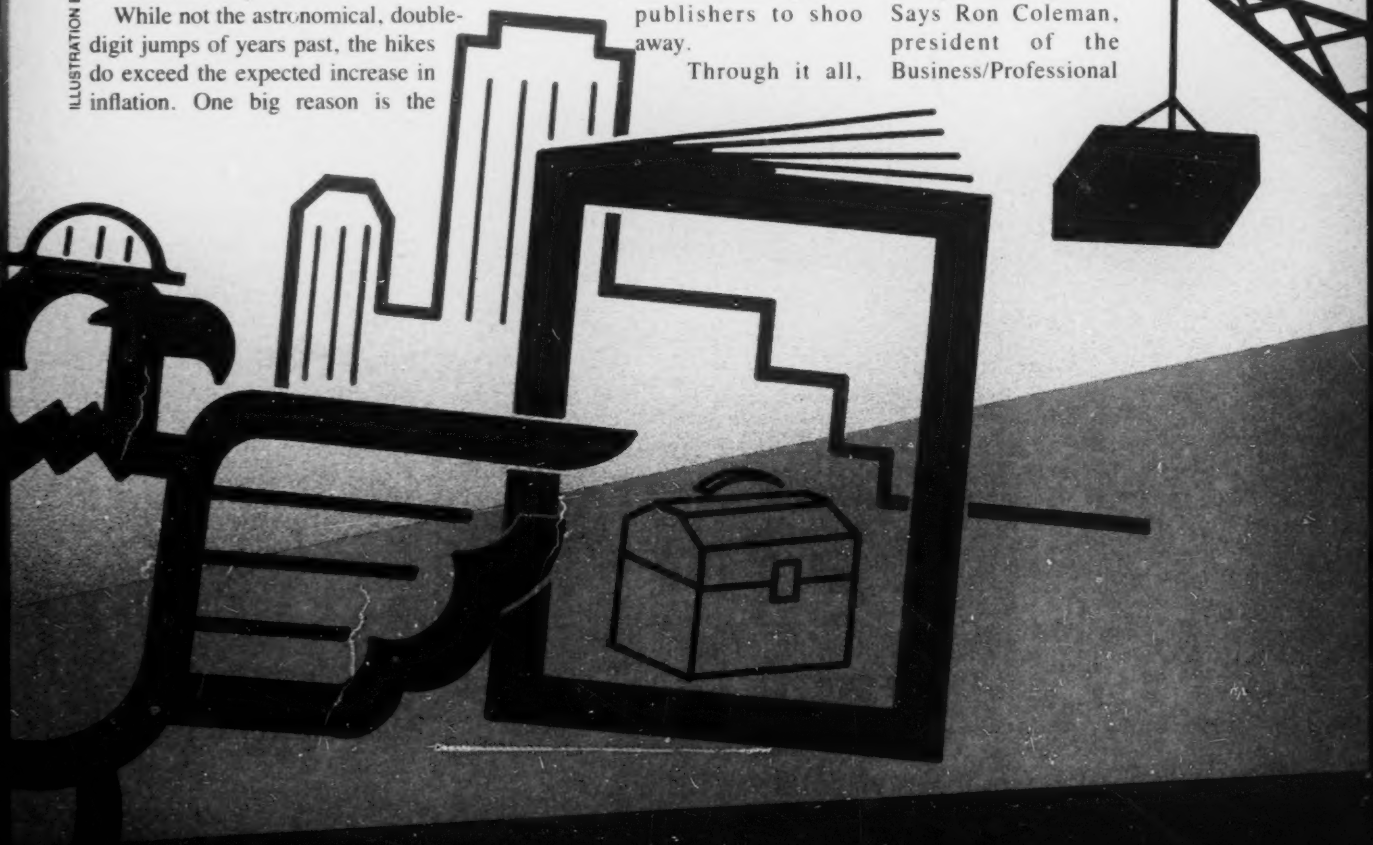


ILLUSTRATION BY DAVE FLAHERTY

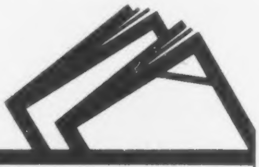
Advertising Association, "You're going to see more and more marketplaces with maybe two books dominating. You're going to see better books serving the marketplaces."

Broad-interest business books, namely horizontal magazines like *Business Week*, *Forbes* and *Fortune*, probably won't raise their rates any more than 7%, guesses Joe Newman, vice president/associate media director at Della Femina, Travisano & Partners. Most agree the vertical trades won't go above that mark, either. Newman, for one, says 1987 increases should total 5% on average, with 1988 inching into the 6-to-7% range. Herb Gordon at Ketchum Communications sees 1987 ending up with unit costs increasing 6% and 1988 per-page costs rising 5.5%.

Media people at smaller agencies vary more widely in their rate projections.

Media people at smaller agencies vary more widely in their projections, in part because of the fortunes of their clients' industries. Some industry books are in a position to hold firm in their rates, while some will undoubtedly be more inclined to negotiate in an effort to hold advertisers. W. Gene Thompson, vice president, media director of Cleveland-based Meldrum and Fewsmith, sees 1987's increase totaling 6%, but 1988's jumping 9%. But Roy Minster, media director of New York-based Hammond Farrell, sees both 1987 and 1988 bringing in only 4% increases.

Publishers' estimates are generally in the same ballpark. John Wrede, president of McGraw-Hill, says 1987 increases won't go beyond 4%, with 1988's rising to 6%. Richard Moeller, president of Harcourt Brace Jovanovich Publications, says that both 1987 and 1988 will see 5% to 6% increases in page rates. Maclean Hunter Publishing president Dan Sember eyes increases totaling 5% for this year and 5% to 6% in 1988.



BUSINESS MAGAZINES ADVERTISING RATE INDEX

Year	Unit Rates	Cost-per Thousand	Consumer Price Index
1970	100	100	100
1977	137	128	156
1978	141	132	168
1979	149	140	187
1980	157	148	212
1981	166	158	234
1982	181	172	249
1983	195	186	258
1984	211	201	269
1985	228	218	279
1986	244	233	284
1987 (est.)	256	245	295
1970-77 increase	37%	28%	56%
1977-87 increase	87	91	89

Source: James B. Kobak & Company

Though it will of course vary by industry, clients' budgets are not expected to rise much next year, agency people report. If anything, they say, the number of ad pages will be trimmed and some books will be dropped from advertiser schedules, especially if rate hikes are felt to be unjustified.

Inflation is always a basis for media cost increases and the Consumer Price Index, a good indicator of it, is expected to finish 1987 with an increase of about 4%, according to the Conference Board. That's quite a comeback from 1986, when the CPI rose only 1.9%, and it reflects stronger oil prices. The trend in oil prices should continue to be on the upswing in 1988, when the Board sees the CPI rising by 5.5%.

For 1988, postage rates are to publishing what oil is to the CPI. For some time the postal service, with its bald-eagle logo, has held the threat of rate increases over publishing like a bird of prey riding an air current. Next year, the P.O. comes in for the kill. Proposed rate increases will become law by late spring or early summer (though rates might not go into effect until after the November elections). The average cost of a second-class mailing, the category the vast majority of magazines falls into, could rise 13.8%.

Rates for each book will be figured according to a two-pronged formula. There will be a flat charge based on how finely sorted the magazine is, i.e. five-digit zip code, three-digit, carrier route. The less work there is for the postal service to do, the less a publisher pays. The second charge is based on weight and what percentage of it is due to advertising.

According to David Minton, Washington counsel of the Magazine Publishers Association, some publications — especially those that don't supplement their income with advertising — could be crippled. But despite the large numbers, Minton thinks the rates are not as bad as many feared. "The average publisher would privately say, 'I'll take it,' " he says. Tell that to Terry McDermott, executive vice president at Cahners Magazine Division. He expects their rates to go up 20% in some cases.

The other cost hit to publishers will come from paper price increases. Prices for coated groundwood, the stock used by most magazines, went up as of July 1 by 8.8%, the first increase since 1985. It jumped $60 a ton, from a top price in the first half of 1987 of $680 a ton to $740 for a ton of No.5 40-pound groundwood.

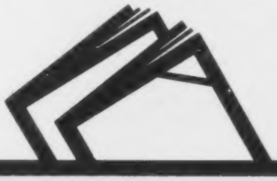
This is happening despite the current production overcapacity paper producers are experiencing, says Will Mies, editor of *Pulp and Paper Week*. "Demand has been very strong, largely due to inventory building and non-publication increases in use," which includes things like catalogs, he explains. Demand was up 7.9% through April of this year compared with the same period in 1986.

After postage, the other cost hit to publishers will be paper price increases.

Paper production capacity will continue to grow, with potential production of coated groundwood for 1987 reaching 4.3 million tons and growing to 4.66 million tons in 1989. So far this year, there's an overcapacity that's resulted from a number of paper producers updating their equipment. "The paper industry has a tendency to put in machines like lemmings rushing to the sea," chuckles Mies. "That's lead to overcapacity and that leads to lower prices." But the overcapacity is already being gobbled up by increased demand, so bye-bye price breaks.

Two huge machines went into production in the U.S. over the last year and a third one just began operation in Canada. Much of its paper is being directed at the U.S. market. In general, paper shipments from foreign manufacturers were expected to fall in 1987 due to a stronger dollar. Not so. Mies says shipments for the first quarter of 1987 are up 29% over the same period in 1986. Last year, foreign shipments totaled more than 6% of the total new coated-paper supplies in the U.S. That's expected to reach 8% by the end of this year.

Printing costs are another ever-present among publishers' price considerations. The picture for 1988 is looking even rosier than it has this year: Costs are holding steady or, in some cases, even declining slightly. Many publishers report negotiating more favorable, longer-term contracts with their printers. Some publishers say



A CONVERSATION WITH JOE NEWMAN

Joe Newman, vice president, associate media director at Della Femina, Travisano & Partners, sees publishers under pressure.

Off-card rates: "Everybody's talking about it, everybody wants to do something about it. There's a lot of magazines that are selling off-card. Next year, all magazines will have cards. If they can, they're going to stick with them. But if not, they'll negotiate. They're scared a little bit. They don't want to lose the business.

"I think if one large publishing company would stand up and say 'No,' then other organizations would feel safe in doing the same thing."

On shrinking trade categories: "Long range, the publications that are number five in their field are going to have a hard time. We are buying smarter and better. We don't have to buy all the books in a field anymore."

On other b-to-b media options: "We're looking more than we have been into radio and television and outdoor. But I also think the business-to-business advertiser is not just looking to trade publications. The competition for many of the trade magazines is coming now from the demographic editions of the consumer magazines — in *Sports Illustrated Select, Time B* [their business-targeted edition] and *Newsweek Gold*.

"Step number one is to recognize who your competition is — then you can fight it. But if all you are doing is selling opposite other trade magazines in your field, I think you're just being short-sighted."

On the elections and the Olympics: "The business press could hurt a little because some money could go elsewhere. Obviously there are going to be a lot of tv viewers or readers of things like *Sports Illustrated*. It's possible that, with special opportunities, larger advertisers will utilize the Olympics as a backdrop.

"I don't think it's going to be major. Advertisers in the business press, excluding corporate advertisers, will continue." ■

they've gone from three- to five-year contracts, for instance, or are renegotiating existing printing contracts. Estimates for printing cost rises are put no higher than 3% for both 1987 and 1988.

Labor costs, most say, will increase marginally next year. That cost package includes not only wages, which are seen to rise only slightly above inflation, but things like healthcare and insurance. Healthcare is "the part of our costs we've just seen skyrocket," groans Richard Moeller at Harcourt Brace Jovanovich. But he's happy 1988's increases look to be in the 10% range, as opposed to the 20% to 30% range publishing companies have been contending with over the past few years.

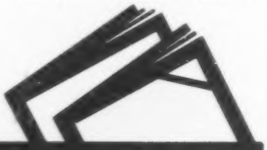
While rate-card bashing is sending quakes through the consumer book industry, most connected with business magazines think it will be much slower to permeate the b-to-b ranks. A large percentage of business publications are controlled circulation, freeing them from many of the numbers pressures consumer titles face. Circulation is stable — as long as a book's target industry is.

But some say that as ad pages continue to slip away, publishers are more anxious than ever to hold on to advertisers at any cost. They add that with the increased mergers in the business book field, fewer salespeople are handling more properties. It's more expedient for them to get bulk sales by offering package deals. Some fear that if things don't improve, it could lead to off-card rates.

Others maintain there are no "ifs" about it: Off-card deals already exist. "I'm afraid it's broken loose," sighs Meldrum and Fewsmith's Thompson. "It might make it tougher for a small guy who doesn't have as much negotiating power. I'd hate to see it run rampant."

Many are afraid that if rate-busting becomes a trend in this industry, it will take on the aspect of consumer-product promotions. In an effort to keep up with each other, publishers will keep chopping rates, whittling down profit margins. And agency people will have that unsettling feeling that so far only tv negotiators have to take to bed at night: Did I *really* get the best deal for my client?

Terry McDermott claims Cahners has taken a stand against off-card dealings. "There's so much focus on it that, at our last publishers' meeting, we said, 'Company policy is: If it's not on the rate card — forget it!' " Yet, regarding other forms of price breaks — the types some agency people say amount to the same thing as rate busting — his line is the same as many other publishers'. "Sure, if you're a million dollar client and buying nine magazines in the electronics and computer group, two in the manufacturing industry group — are you paying the same rate as a one-time black-and-white advertiser? Hell no." But, he says in defense, "it's all on the rate card and in the national account plan."



FIRST QUARTER 1987 CATEGORY SCORECARD

Business Pub. Group	Pages Jan-Mar 1987	Pages Jan-Mar 1986	Page Change	% Change
Industrial Products	5279.88	5357.55	−77.68	−1.45
Electronic OEM	3596.30	4101.45	−505.15	−12.32
Radio & TV	3180.75	3298.90	−118.15	−3.58
Design OEM	2316.09	2260.06	56.03	2.48
Metals	1921.55	2446.54	−524.99	−21.46
Advertising/Marketing	1888.37	2068.81	−180.44	−8.72
Hardware/Home Center	1681.02	1967.99	−286.97	−14.58
Industrial Plant	1321.43	1367.96	−46.53	−3.40
Optometric	1320.29	1382.22	−61.93	−4.48
Consumer Electronics	1197.95	1242.99	−45.04	−3.62

Source: Space Analysis Systems Inc.

McDermott brings up a sales tactic that's still much more prevalent than off-card sales: package deals. These occur when an advertiser with cross-industry capabilities, such as a healthcare marketer or computer company, agrees to buy into, say, fifteen of a publisher's books for a special rate. Though multiple book buys have been around for some time and are far more common in the consumer magazine field, they gained a momentum in the early 80's thanks to a trend kicked off by the establishment of General Motors Corporation's Media Council print negotiating arm.

At least some type of value-added agreement can be worked out with almost every publisher. They can be anything from publisher-sponsored direct mailings, guaranteed rates for a certain period, remnant-space rates, the placement of advertorials, discounts for ads that run near a competitor's in a book, even monies to support research in a particular industry. Hammond Farrell, for example, wanted companies that didn't use its GE Power Stick Battery to try them in their products. It wanted to reach new prospects, so worked a deal with *Consumer Electronics* to run extra inserts in about 3% of the complimentary issues it sends out.

Despite the fact that many claim the industry-wide trend is towards two- and three-book categories, listings of business books grew slightly, to 3,833 from 3,816, between June 1987 and 1986, according to Standard Rate &

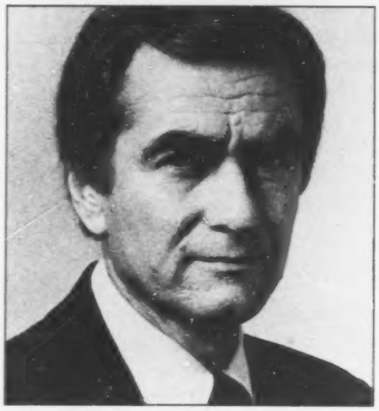
Data Service. The five categories with the most new listings were medical (34 additions); local business (30); national business (15); automated data systems (13); advertising (10). Most of those, according to SRDS, were indeed new starts. The service reports that 1986 saw 433 business books join its listings, 261 leave the list.

Typical of most years, publishers have watched some categories soar (computer components and food service) and others sour (coal mining). *Iron Age*, a trade book classic, ceased publication in 1986.

According to Space Analysis Systems, a business book page-tracking company, ad pages for the books in over 50 categories dropped 5.9% in 1986, and are down 6% for the first quarter of '87. Seasonality in each industry can cause ad sales to zig and zag all year. The timing of trade shows, for instance, varies by market. Retailing shows are usually at the beginning of the year, while many industrial shows are in the spring and fall. The chemical industry, for example, doesn't have its big trade blowout until December.

Space Analysis reports that the metal producing category took the biggest percentage hit in '86 — down 28.6%. Coal mining books saw pages drop 22.1%. The biggest gainer in ad pages was the radio and tv category, books read by people who buy and sell programing. It gained 12.3%. Banking books followed with a rise of 9.9% in pages, largely due to the increased use of automation by banks, as well as more non-banks like Sears and insurance companies coming into the field.

Bert Peller, vice president/media manager for business markets at J. Walter Thompson, follows the business press in the data processing field closely. Of the 26 books he watches, rate increases approached 10%, while their ad pages grew 3.5% last year. He says their rates will continue to grow in 1988, anywhere from 5% to 10%. ■



> "[Off-card deals] have broken loose. They make it tough for a small guy."
>
> ***W. Gene Thompson***
> ***Vice president, media director, Meldrum and Fewsmith***

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"YOU'D DIE IF YOU HAD OUR JOB."
YOU COULD LEARN A LOT FROM A DUMMY.
BUCKLE YOUR SAFETY BELT.
A Public Service Message
Ad Council
U.S. Department of Transportation

SWEET LIMBS

"Inward and outward to northward and southward the beach-lines linger and curl
As a silver-wrought garment that clings to and follows the firm sweet limbs of a girl.
Vanishing, swerving, evermore curving again into sight,
Softly the sand-beach wavers away to a dim gray looping of light."

—Sidney Lanier, The Marshes of Glynn, reprinted from a critique on the poet by Jack de Bellis.

No section of the country pushes its territorial toes into more salt water than the South. But what these musically ordered lines celebrate is the infinite variety of those sea-to-shore intimacies. They range from wave-smoothed beaches vacationers swarm to; and include those miles of coastline that are all business, as in Texas and Louisiana, where world class vessels clog the nation's second and third port—Houston and New Orleans—and oil rigs offshore work their silent and endless magic. Then, too, there is Florida—where the ocean plays with the scattered Keys, and intrudes its presence into the Everglades to provide refuge for an endangered Nature and its creatures in the beautiful raw.

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THE NEW REALISM

Wary of the rate differential and hungry for new business, newspapers look to keep national rate rises in the 5-to-7% range.

by Fred Pfaff

It happens right about October, every year. Agency newspaper buyers do a slow burn as they brood over clients' rising demands and flat budgets. Then they boil over when the first notices hit their desks detailing above-inflation newspaper rate hikes.

A new attitude among publishers, however, may put a lid on the boil this year. While newsprint costs are leaping like they haven't in years, newspapers are fending off union demands and succeeding in reducing staffing overhead. Inflation is leveling out at around a livable 4-to-5%. The new tax law will lower publishers' outlays. And best of all, newspapers are determined not to price themselves out of potential new national business. To stay in the running, they are getting more sensitive to the rate differential, trying creative price structures and planning to keep national rate hikes to a minimum.

Optimists' confidence rises and falls with the inflation rate, and the prospects for the near term are looking bright. A consumer price rise of only 0.3% in May slowed a 5.6% inflation growth from January to April and led the Bureau of Labor Statistics to predict inflation will stay from 4% to 5% through December.

Also steady has been newspapers' ad revenue growth, which Lynch, Jones & Ryan newspaper analyst Bruce Thorp ties largely to advertising rate increases. The Newspaper Advertising Bureau predicts that national ad revenues, which edged up 0.7% in 1986, will rise 3% this year to $3.4 billion; retail ad revenues, which climbed 6.5% in 1986, will increase 8% to $15.5 billion; and classified revenues, which jumped 11.1% in 1986, will hop 12% to $10.4 billion.

The biggest spoiler on the publishers' ledger sheets has been newsprint, which represents about 23% of a newspaper's costs. Prices went up 6.5% near the end of last year, from $535 to $570 per metric ton, and another 7% increase to $610 per metric ton went into effect July 1, 1987. As Gannett Co. vice chairman Douglas H. McCorkindale notes, a recent fire wiped out a key New Zealand paper mill and took some 200,000 metric tons of newsprint out of the U.S. market; and large new paper mills under construction aren't scheduled to operate

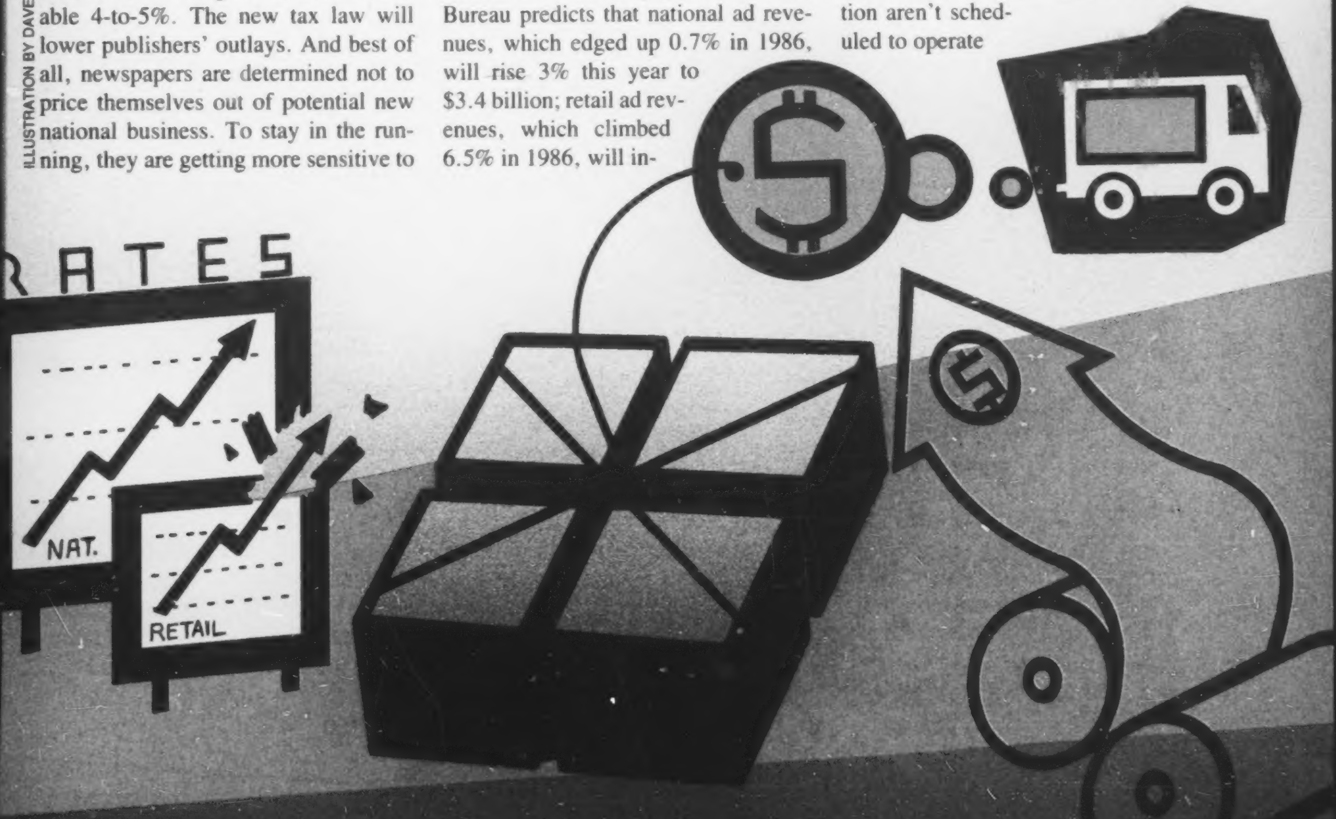

ILLUSTRATION BY DAVE FLAHERTY

until 1989 at the earliest. Weaker U.S. currency, he adds, offers foreign suppliers the choice of focusing on customers with more favorable exchange rates, or charging U.S. buyers more.

In fact, newsprint may only get tighter. Papers are not only printing more pages of ads, they're printing more editorial pages, in part to support increasingly popular special sections. Newsprint consumption by such non-newspaper users as catalog and preprinted-insert producers has risen to the point where Canadian mills, which put out about 60% of U.S. newsprint, are functioning at 99% capacity, notes First Boston Corp. vice president and publishing analyst Kevin Gruneich. In all likelihood, Gruneich says, suppliers will put through two more price hikes by mid 1988, raising the cost for publishers by as much as 14.5%.

TOP TEN NATIONAL NEWSPAPER ADVERTISERS

Rank	1986 Investments	1985 Investments	% Change
1. General Motors Corp.	$146,430,000	$140,979,000	+3.7%
2. Ford Motor Co.	76,136,000	77,295,000	−1.5%
3. Texas Air Corp.	63,417,000	15,075,000	+76.3%
4. Philip Morris Cos.	57,589,000	78,013,000	−26.2%
5. RJR/Nabisco	50,347,000	73,321,000	−31.4%
6. Chrysler Corp.	42,203,000	42,000,000	+0.5%
7. American Telephone & Telegraph Co.	31,106,000	57,210,000	−45.7%
8. Trans World Airlines, Inc.	29,329,000	20,870,000	+28.9%
9. General Electric Co.	26,986,000	10,332,000	+61.8%
10. Allegis (UAL, Hertz)	26,900,000	19,987,000	+25.7%

Source: Media Records

Preprinted inserters, too, bear a paper burden. An 8% coated paper price rise this summer, notes Product Movers president Kenneth Bortner, could cost the three main inserters — whose volume has grown steadily over 20% through this year — upwards of $250 million and force 1988 rates up from 5% to 10%.

Yet analysts report that newspapers are stabilizing their greatest cost — labor, which accounts for an average of about 40% of all expenses. "Newspapers are trying to cut back on staffing," says Bruce Thorp. Since "the trend continues to be away from strong unions," he says, many publishers "have been able to reduce overhead or at least hold it steady."

While the prospect of a 16% overall increase in postal rates may raise all papers' business and promotional costs and weeklies' distribution costs, it's not likely to cost dailies much more to get the paper out. Gasoline may go up between 5 and 10 cents a gallon by July 1988, thinks Conference Board analyst Kenneth Goldstein, but rig financing and fleet operating costs don't promise terrific rises.

Nor can the taxman carry away as much of publishers' takes. The new tax law drops publishers' tax rates on average from 47.6% to 46% in 1987, and ultimately as low as 40%, notes Goldman Sachs & Co. publishing analyst Eric S. Philo. While they give up investment tax credits and certain depreciations, he says, "it's a very, very modest giveup."

That sets the stage for the medium's efforts to break open new national business in 1988. Once again, planners point to one major obstacle for publishers to overcome in order to increase their national ad business: price, both high out-of-pocket cost and the preferred rates given to local advertisers.

How sensitive a point is this? Mike Gross, vice president, associate media director at J. Walter Thompson Co., for one, isn't even setting a contingency for newspaper rate hikes for his clients. "Newspapers' rates are so much more for national advertisers that they can't be considered as a vehicle for most because their out-of-pocket cost is so high."

For years, the medium has sent rates above the inflation rate and posted higher national than local/retail rate hikes. National rate hikes have been more severe from those papers that dominate the country's largest metro markets. National ads bring in only about 10% of their ad revenues, and they have the numbers to back up steeper hikes.

"But now newspapers think that the national category is where most of their growth may come from," says Bruce Thorp. "They don't want to overprice that category and drive off potential business. And it's major markets where newspapers have the greatest potential for increasing national ad volume." First Boston's Kevin Gruneich thinks differential sensitivity is so acute that "all papers, the dominant as well as the weak," will act to close the gap, while on average raising national rates 5%, retail 6% and classified 8%. A one-rate future is on the mind of Westchester-Rockland Newspapers vice president, advertising Peter M. Anderson, who thinks classified is more able to "withstand a strong price adjustment" than the retail market, altered in many areas by acquisitions. At Ottaway Newspapers Inc., for instance, vice president, operations Gerald T. Tache confirms that "to narrow the differential," the company looks to raise national rates only 1% to 2%, while keeping retail rises in line with inflation.

While Jerome Tilis, president of the *Detroit Free Press* and vice president, marketing for Knight-Ridder Newspapers Inc., fears that raising retail rates more than national penalizes the retailer and fails to lower a national advertiser's cost, he predicts national advertisers will benefit from "more creative pricing" in 1988. For instance, though devised to draw advertising away from the competing *Houston Post*, new frequency discounts from the *Houston Chronicle* that reward advertisers for "flighting," or running a block of ads within a short timespan, break new ground. "Thank heavens they finally woke up and started selling like that," says David Buckley, media director at W.B. Doner/Los Angeles. "Advertisers should be encouraged to accumulate reach in a newspaper, just like in any other medium."

For the industry, Tilis' pricing and positioning task force of the Future of Advertising Committee recommended in May a new series of standard breaks for advertising page-volume discounts that begin at the quarter-page level. Tilis' committee also recommended incentive rates as an industry strategy for enticing non-advertisers.

One big step taken this past winter was the packaged-goods rate plan. The formula called for papers to base a trial rate for packaged-goods advertisers (excluding liquor and tobacco) on appropriate retail rates plus agency and rep commission. Now being coordinated by the Newspaper Advertising Sales Association, the program includes papers with end-result rates landing between 20% and 25% above retail for 13-time schedules of at least a quarter-page.

Newspapers are increasingly sensitive to the rate differential.

Especially since it has fomented so much hype, sellers say, the packaged-goods plan has moved the industry to a kind of critical juncture. "Advertisers don't talk about newspapers putting hundreds of millions of dollars into improving their products over the last number of years," pipes Charles McNally, executive vice president, Eastern regional sales manager for rep firm Cresmer, Woodward, O'Mara & Ormsbee Inc. "Agencies have asked us for a number of things and promised tons of business would result. We've made the concessions, but we haven't seen the business."

At press time, no national advertiser had committed to a major schedule using the packaged-goods rate. But some had yet to receive the list of rates, and one agency media leader, Jack Cohen, vice president, director of print and outdoor media buying at DDB/Needham Worldwide, had yet to resolve what he sees as failure of some papers to submit rates in the 20%-25%-above-retail-rate range.

"All it will take is for one major advertiser to commit to a major packaged-goods schedule, and you'll see a whole different attitude from newspapers," says Donald H. Waddington, president of rep firm Branham Inc. Agrees Ferguson Rood, vice president for research and marketing at Cox Newspapers. "If we see results, the momentum will really take off."

FACE TO FACE WITH TOM WINNER

Thomas H. Winner is senior vice president, media director at William Esty Co. in New York.

On the importance of price: "Other media get reach and impact with relatively less expense and effort. That's a major consideration. The beauty of newspapers is their local appeal and the speed with which you can place an ad; the downside is the cost and short lifespan of the ad. Since it's more expensive to run the same ad many times in newspapers, you'd rather do it in tv."

On negotiation in newspapers: "We're always trying, but it's a difficult medium to negotiate. Often we're asked to place an ad in an awful lot of newspapers on a speedy basis. There are so many newspapers, negotiating becomes extraordinarily time-consuming. And so far you're mostly negotiating only for position."

On the packaged-goods rate plan: "The packaged-goods rate is a sign that publishers are decent businessmen: If someone dangles a big piece of potential business in front of them, they'll do it. Does this indicate a willingness to negotiate on their part? Of course it does. But not for anybody — for a huge piece of business."

On category rates in general: "Category rates are a dangerous precedent for newspapers to set. They can aggravate clients newspapers have had for years, because someone who hasn't been advertising for years is paying less. A better way to sell it is to go to those people who aren't in newspapers, find out why they're not advertising, and come up with a strategy to get them in — something other than lowering rates. Otherwise you're building a base of lousy clients — people that are in there just for low costs, not for good marketing need." ■

What has already taken off are efforts by other category advertisers, led by Continental Airlines and Joseph E. Seagram & Sons Co., to negotiate similar rates for their own business. That's in keeping with the way Michael E. Bienstock, vice president, associate media director at BBDO International, views the packaged-goods rate plan.

"Finally, the newspaper business is saying, 'We're listening, and we're willing to try out some exceptions,' " he says. "But if they don't open it up to other categories, they're essentially penalizing those advertisers in other categories who are already heavy newspaper users."

Now that the magazine industry rumbles with talk of closed-door rate and position deals, notes Jack Cohen, "clients are getting used to receiving discounts as rewards for big space commitments — they want to extend it to newspapers. The packaged-goods rate really means negotiation is coming." Cohen smiles — something he rarely does when the subject is rates — and adds, "That's how we'll get greater cost efficiencies."

"Papers are saying, 'We're listening, and we're willing to try.'"

Michael E. Bienstock
VP, associate media director,
BBDO

As Newhouse Newspapers vice president, sales director Richard Matula points out, the *Newark Star-Ledger* has extended its packaged-goods rate to other advertisers, and the *Cleveland Plain-Dealer* has extended its packaged-goods plan discount to all 13-time advertisers. "We are in a position now where most papers are willing to talk," Matula confirms. "Particularly with tv hurting, we're coming to where we have to look at how we can be flexible."

And last year, many newspapers answered an age-old, impassioned agency cry and passed some of the costs along to readers. According to the ANPA, at least 166 papers swallowed fears of lost circulation and increased their newsstand prices in 1986. But single-copy price hikes are especially sensitive matters, points out Cox's Rood, since both coin-operated machines and consumer convenience mandate increases in at least five-cent increments. Adds Tilis, "If you pass on to the reader all of the need for added revenue this year, but circulation goes down 5%, then the advertiser gets 5% less exposure for his money, which means a de facto rate increase."

What may change the complexion of the rate issue a bit is a movement by sellers to treat the newspaper more like a targeted medium and convince advertisers to look not at out-of-pocket cost but cost per prospect. "Advertisers say, 'Look at your price,' but look at what they pay for the Super Bowl," says CWO&O's senior vice president, director-creative sales development Donald Evanson. "If you look at newspapers against quality products, we're more efficient."

W.B. Doner's Buckley, too, would like to see advertisers look more qualitatively at the newspaper medium. "If you're constantly looking at out-of-pocket cost, you get a little twisted," he says. "That implies that one exposure will ultimately amount to the same thing as another exposure, and that's not valid. We should focus more on the way you *use* the medium; that's even more important than the bulk of money you're going to put in." ■

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MEDIA COSTS/OUTDOOR

RUNNING IN PLACE

Out-of-home is looking high and low for business to replace their lagging mainstays.

by Carol Hall

"We've had to run as fast as we can to stay where we are." David Rouatt, senior vice president of marketing for Gannett Outdoor Group, takes to quoting *Alice in Wonderland* to describe not only his company's lofty position in the outdoor industry, but the industry itself. With rate increases looking to stay in the zero-to-5% range, life is a struggle for outdoor sellers these days. Few are grinning like Cheshire cats.

According to the Institute of Outdoor Advertising, 1986 industry revenues totaled $1.275 billion, barely up from 1985. They are expected to reach $1.4 billion for 1987.

Cigarette and hard-liquor advertisers, the cushion on which outdoor rode for years, continue to pull dollars from the industry. They've left many outdoor companies scrambling to find new customers. Says Rouatt of the situation, "In the long run, the best thing that will happen to this industry is to have liquor and tobacco fade away and force the industry into much more aggressive marketing programs." He rails, "These people have fed off the tobacco and liquor business for too long, become too complacent and set their program up by the way they wanted to sell it — not how the advertisers wanted to buy it."

Elsewhere, legislative battles with anti-signage groups have been a headache for nearly twenty years and still go on. In addition, the infrastructure of the industry's main trade association has just been shaken up. The Institute of Outdoor Advertising in New York has been scaled back from twelve to five people. Largely a research and information arm of the D.C.-based Outdoor Advertising Association of America, the downsized IOA leaves New York agency people feeling somewhat deserted (see "Pro Files").

But there are some positive changes occurring, if slowly. There is a gradual development of new pockets of business to replace the fading booze and butt boards — packaged-goods companies, in particular, are seen as a white knight. There is consolidation in the industry in the form of mergers that promises the introduction of more ag-

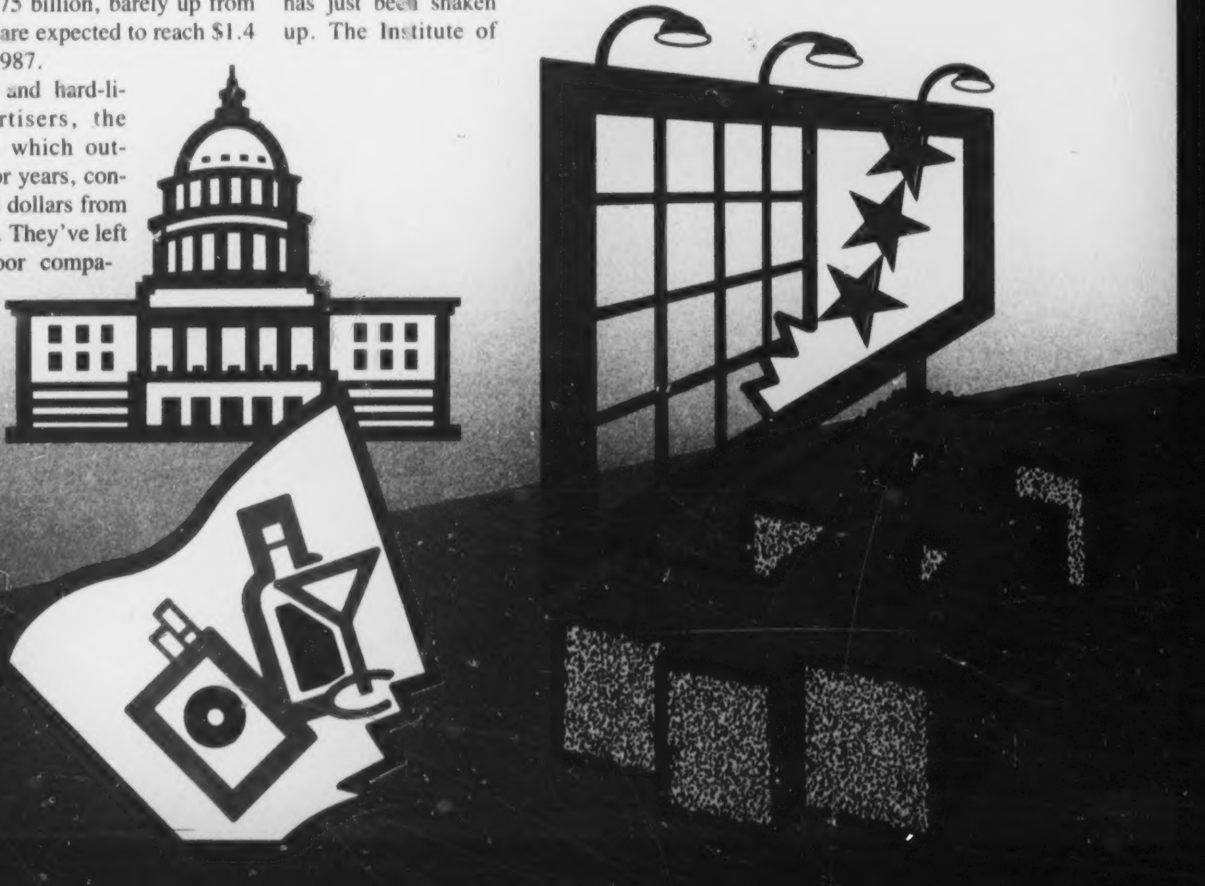


ILLUSTRATION BY DAVE FLAHERTY

gressive selling tactics. And there is a shift in business to the local front where space is moving much faster than it is nationally.

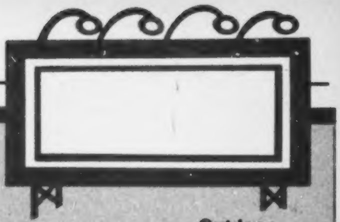
Still, "It's very much a client's market," says Pete Riordan, vice president/out-of-home media at BBDO. He pegs rate rises for 1988 in the 4-to-5% range. "But in the competitive markets, it's going to be a free-for-all," he adds.

Jack Cohen, vice president/director print and outdoor media buying at DDB Needham Worldwide, sees 1987 ending with a 5% rise in total. Next year's increase, he predicts, will probably fall short of that. "This medium's highly negotiable," he sighs, "and budgets are tight." He says that, especially for national advertisers, outdoor is seen as a support medium "When you see budget cuts, it's one of the first to go," Cohen notes.

Dick Briggs, director of out-of-home media at SSC&B, sees 1988 posted rates creeping into the 6% range. But, he chuckles, "what published rates and negotiated rates are going to be are two different things." He sees negotiated national rates showing virtually no increase from this year.

On the industry side, Gannett's David Rouatt says official rate increases for 1987 averaged 4%, but agrees those rates were largely "not achieved" due to the tobacco and liquor exodus. The diversified company, which casts a shadow over more than 50% of all boards in the country, expects to announce increases for 1988 of 3% to 6%.

Most companies, or plant operators,



OUTDOOR'S TOP TEN ADVERTISING CATEGORIES 1986

INDUSTRY CLASS	Outdoor Ad Dollars (000)
1. Cigarettes, Tobacco & Accessories	190,132
2. Beer, Wine, Liquor	62,840
3. Travel, Hotels & Resorts	58,460
4. Business & Consumer Services	57,397
5. Retail	52,289
6. Automotive, Auto Accessories/Equipment	50,995
7. Entertainment & Amusements	36,827
8. Publishing & Media	36,803
9. Insurance & Real Estate	32,929
10. Drugs & Remedies	11,241

Source: Leading National Advertisers

THE OUTDOOR VIEW FROM DICK BRIGGS

Dick Briggs is director of out-of-home media at SSC&B: Lintas Worldwide.

On tobacco: "Tobacco was particularly responsible to rate inflation in the past. They'll pay anything and that's been true in other media, too. In outdoor they'll pay the price and get the top flight locations. That affects pricing throughout the marketplace."

On tobacco's exodus: "Everyone seems to be writing off tobacco, but that ain't necessarily so. One of the reasons for its decline is that so much of their money is going into sales promotion. But they're not exactly abandoning outdoor. R.J. Reynolds has cut back, but they're still over $120 million in outdoor."

On new business: "The problem with the outdoor industry is that they have been so fortunate to get business over the transom over the years. They really didn't have to fight for the liquor business and in 1971, when tobacco was legislated off the tube, the tobacco companies came to outdoor. It wasn't the other way around."

On holding on to prime locations: "I'm a little bit surprised [tobacco and liquor companies] don't look at these as corporate properties. Look at Philip Morris and Marlboro. Why this hasn't spilled over into Miller, I don't know. There's not enough conceptual selling done out there by the (outdoor) industry. I'd think there would be tremendous opportunities with American Tobacco now that they're into financial categories.

"The trouble with some of these companies is that they retain their isolation (among divisions). Why don't they look for more continuity deals among brands? Outdoor is a sleeping giant: You buy it well and it's going to pay dividends." ■

TOBACCO AND LIQUOR: OUTDOOR'S SLIDING SHARES (000)

Year	Tobacco Outdoor	Total Outdoor	% of Total	Liquor Outdoor	Total Outdoor	% of Total
1982	$333,808	$ 887,911	37.6%	$131,383	$ 887,911	14.8%
1983	381,276	1,027,559	37.1%	129,472	1,027,559	12.6%
1984	347,941	1,128,260	30.8%	132,006	1,128,260	11.7%
1985	376,560	1,221,905	30.8%	112 415	1,221,905	9.2%
1986	349,448	1,275,669	27.4%	81,928	1,275,669	6.4%

Source: Institute of Outdoor Advertising

in industry lingo, announce rates for the year in October and put them into effect in January. This June Patrick Media broke the mold, rolling out both the customary wintertime increase of 3% to 4% *and* a June boost. And what a boost. Its prices increased between 7% to 9% for most of its markets. According to the company, June's increases were due to the strength of many of Patrick's local markets.

Patrick's vice president of marketing, Larry Cognetti, says '88 increases have yet to be decided. "Suffice it to say we've already had a price increase this year, and you can anticipate a similar increase for next."

In general there are a number of things that dictate costs: Sign maintenance, energy prices, labor costs and production prices are among them. Increases in those areas are expected to follow inflation closely in 1988.

One primary price determinant for the outdoor is leasing costs, the fees outdoor companies pay for the real estate their boards are on. They are starting to undergo some dramatic changes. Most leases have always been long-term, on the order of 15 to 30 years long. Predictions are that in the next five years, one third to one half of the inventory won't be where it is today. Outdoor companies are less inclined to be locked into long contracts due to changes in the geographics as well as the demographics of target groups and changes in traffic circulation. While the short-term thinking may prove more effective, is may also prove more costly.

Outdoor billboards come in a range of sizes, the two most widely used being 30-sheet boards (12' by 25.5') and eight-sheet boards (6' by 12'). Eight sheeters are common in urban neighborhoods, off the main streets. According to Ron Waggener, executive director of the Eight Sheet Outdoor Advertising Association, rates will rise a total of 4% to 6% for 1987 and hold a bit lower next year, not topping 5%.

He says the market is stabilizing itself somewhat after several years of 8% to 10% increases for eight-sheet. The aim of the market's boards is shifting, too. For years, black consumers have been the main target. Now, says Waggener, nearly 70% of their national buys are directed at blacks, but a full 20% are targeting Hispanic consumers. Ethnically targeted buys account for 5% to 10% of the outdoor industry's revenues as a whole, according to the Institute of Outdoor Advertisers.

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COME TO RHODE ISLAND AND SEE IF YOUR CHICKEN CAN FLY ACROSS AMERICA.

To find out how their Zesty Wing line extension would fly nationally, Weaver rolled out in Rhode Island. Because Rhode Island's a near-perfect microcosm of America. With demographic and economic profiles that are remarkably close to the national norm.

What's more, the market's virtually immune to media spillage. And it's extremely cost-efficient. You can reach practically everyone in the market through Rhode Island's only major newspaper. At a CPM that's mere chicken feed.

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Shelter advertising, a nearly $20 million piece of the industry, is on the move, too. Most of the structures are bus shelters, though some airport shelters are located in New York.

"There will be a mushrooming in the number of municipalities that have shelter advertising," boasts Connie Barry, president of the Shelter Advertising Association. The approximately 4,500 shelter signs currently in the U.S. can be expected to at least double in the next five years due to increased demand.

Barry sees shelter rates for the 1987 topping off with a 4% increase and repeating that boost in 1988. Labor and maintenance costs figure heavily into charges, as do franchise fees shelter companies pay the cities they operate in. The fee is calculated as a percentage of billings the companies generate and vary between 5% and 23% (in Miami Beach) across the country.

Helene Goldfine, vice president/director of marketing at Winston Network, an out-of-home company with a variety of signage, says the company's price increases for all of '87 should be in the 5-to-6% range. Over 60% of Winston's business comes from signs that are part of the country's commuter rail systems, whether they're in train coaches, on platforms or in terminals. They also control signage on the inside and outside of buses, on telephone kiosks, on taxis and even have some of the more traditional eight-sheet and 30-sheet boards in a few markets.

Next year, Winston's increases are expected to come in below 5%. Not only do labor and maintenance costs figure into that, but so do fees to the various transit authorities. The company, which was bought out by the employees last December, expects to change its name to American Media Network by the end of this year.

Right now, the tie that binds all these out-of-home elements together is the search to replace lost tobacco and liquor advertising, ads that dominated over 40% of the industry's best boards for more than a decade. According to the Institute of Outdoor Advertising, tobacco and liquor advertisers slashed their budgets by approximately $60 million in 1985. Industry estimates put that figure at about $80 million in 1986. The choices spots should be easy for outdoor reps to move. Pete Riordan at BBDO, however, warns costs will be rubbery for awhile. "There's nothing in the immediate future that's going to take up all that slack."

Other advertisers are beginning to surface as possible replacements. Campbell Soup has received a lot of attention for its outdoor effort with Chunky Soup, for instance. Procter & Gamble is out there, too, testing Crest toothpaste, Scope mouthwash, Crush soft drink and Solo detergent. Del Monte is trying some juices and canned vegetables on billboards, and Hanes hosiery is making forays into outdoor. General Mills' Cheerios have been in board tests, and Kraft, a big-board user in the days before the tobacco industry aced many of the best spots, is reportedly considering taking its mayonnaise

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Source: 1987 Scarborough Report, Tampa/St. Petersburg/Sarasota.
c The Tampa Tribune, 1987

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THE TAMPA TRIBUNE

out-of-home. Benetton clothiers has used boards across the country and Anheuser-Busch is putting more money into the industry. Other new-business possibilities include health-maintenance organizations, national real-estate operations, cosmetic and pharmaceutical companies and financial service companies.

It should be emphasized, though, that while many of those have shown interest, the signing of long-term contracts by many has yet to occur. According to the IOA, over the past couple of years, more and more companies are "testing" products on billboards, holding off on long-term outdoor commitments.

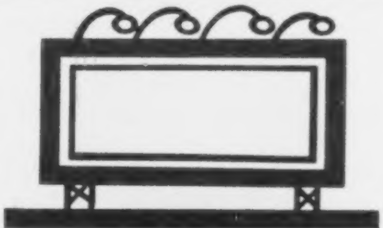
There are some technical innovations in the industry worth taking note of, too, as they will be having an increasing impact on costs.

Computer painting is an effective way to not only cut costs, but improve four-color quality and ensure better quality across the country. Plants say it not only improves their efficiency, but also helps them keep labor costs down. Gannett reports that in a strike situation, plant operators have been able to hold out longer because they can merely farm out the work to outside computer-painting studios.

Backlit signs, where the lighting is housed in the board and shines through the ad, are increasingly popular. Unipole signs are popping up more, too. This concept is no more complicated than shrinking the number of support poles that hold up a board to one. Voila: A company can rotate its sign.

Super Flex, a plastic material trademarked by Gannett, has the industry abuzz. It replaces the multi-sheet paper approach with a seamless sheet of plastic. It not only has a far greater lifespan, but can be taken off a board, rolled up and shipped to a board in another state, if need be. So far, at up to 20% more expensive than its paper counterpart, its main drawback is cost. But as more Super Flex equipment is manufactured, the cost of producing it should fall.

Changes in the industry's infrastructure, in the form of company mergers, continues. It is likely to mean more organized sales forces. Patrick Media Group was formed in late 1986 and, operating in 37 markets, is the largest outdoor company in the U.S. in terms of revenues and number of boards. Shortly after its formation, it hired nearly 50 salespeople and immediately put them on the streets to boost local business.



1987 COST/PANEL RATES

New York	$545
Los Angeles	464
Chicago	459
Houston	319
Atlanta	370
St. Louis	454
Tampa	322
Kansas City	416
Indianapolis	400
Harrisburg	460
Mobile	333
York	375
Des Moines	352
Spokane	313
Tallahassee	330
Amarillo	232

All costs based on a 100 GRP showing
Source: Institute of Outdoor Advertising

This year, it began a new business division. With skeleton crews manning offices in New York, Detroit, Atlanta and Los Angeles, its sole aim is to stir up new clients for the company — not something the industry has put much effort into in years.

For now, while the industry is cautiously optimistic about developing new national client categories, it is looking to fill in the gaps on the local level. "The real growth is in local," claims John Mathis, vice president/national sales for Patrick Media. "We've experienced a decline in national — local is the only place to go," he says. He adds that "It's a quick fix, but not necessarily an easy fix. If you want to see a rise in local, it really requires putting a lot of feet on the street."

Some say it's a mistake to put off the development of more national business. Others point out that it takes a while to build national business. For one thing, if a plant misses a client's media planning period, it has to wait a year for another chance. A board sold to a local merchant can have a faster turn around time, too, allowing for an outdoor company to make up some of those lost revenues in short order.

Aside from the fact that a national campaign is more profitable for an outdoor company to run, the industry needs to sow the seeds of future prospects. It can't afford to waste time reminding media planners that it *is* a national medium.

And speaking of more aggressive sales techniques, some of the larger lithographers — yes, lithographers — are getting into the act. Some of them are going directly to clients to encourage the formation of co-op arrangements to generate more business for their plants. Co-ops have been around in this industry for years and work the same way they do with other media, with an advertiser and its distributors sharing costs. Many industry observers are critical of the outdoor companies for not promoting co-ops more themselves.

Of course, there are those who would be happy if the industry didn't promote co-ops, or any other kind of new business. Since the passage of the Highway Beautification Act in the 1960's (a.k.a. the "Lady Bird Bill"), various anti-signage groups have sprung up locally and nationally, the most powerful being the Coalition for Scenic Beauty. Due to their efforts, the Federal Highway Administration reports sign inventory went from 1.1 million in 1966 to 500,313 in 1985.

Despite the belly-aching about these groups, all admit that the industry's savvy team of lobbyists is extremely effective at steering it clear of the legislative rocks and keeping a good portion of signage right where it is. ■

MEDIA COSTS/YELLOW PAGES

THE COMPETITIVE EDGE

More competition in the yellow pages industry has wrought what John Maynard Keynes preached: lower prices and more business. But some national advertisers still have complaints.

by Rebecca Fannin

Before the Bell system was broken up nearly four years ago, it was nothing for the 19 regional phone companies to tack on 10% annual hikes for national advertising in the company's 5,600 yellow-page directories. Advertisers didn't exactly turn the other cheek throughout the 1970's and early 1980's, but in the end, they did pay up because they really had no choice. The utility books had no competition.

That sure has changed. This year, there are more than 200 publishers and as many as 7,000 directories.

National advertisers are finally in the driver's seat. "The greater competition is having a moderating effect on rates," says Herbert Gordon, senior vice president, media services at Ketchum Advertising. "It's terrific for the advertiser. With these moderate increases, it's easier to plan media buys in the yellow pages." Gordon is also president of Ketchum Yellow Pages.

The rate of increase has slowed to about 5% this year and, for next year, it's forecast to rise by another 4%. But to many national advertisers and their ad agencies, the fact that rates are still going up remains a sore point. "If there is more competition, we'd like to see rates more competitive," argues Robert Burch, marketing manager of consumer services at General Electric.

The only discounts are coming from the new independent directory publishers such as Reuben H. Donnelley, which formerly acted only as a selling rep for the medium. "Many of the competitive independent directories are offering 40% to 50% discounts on their books, or are offering one free ad with a buy," says Bruce Altman, director of yellow pages at Bozell, Jacobs, Kenyon

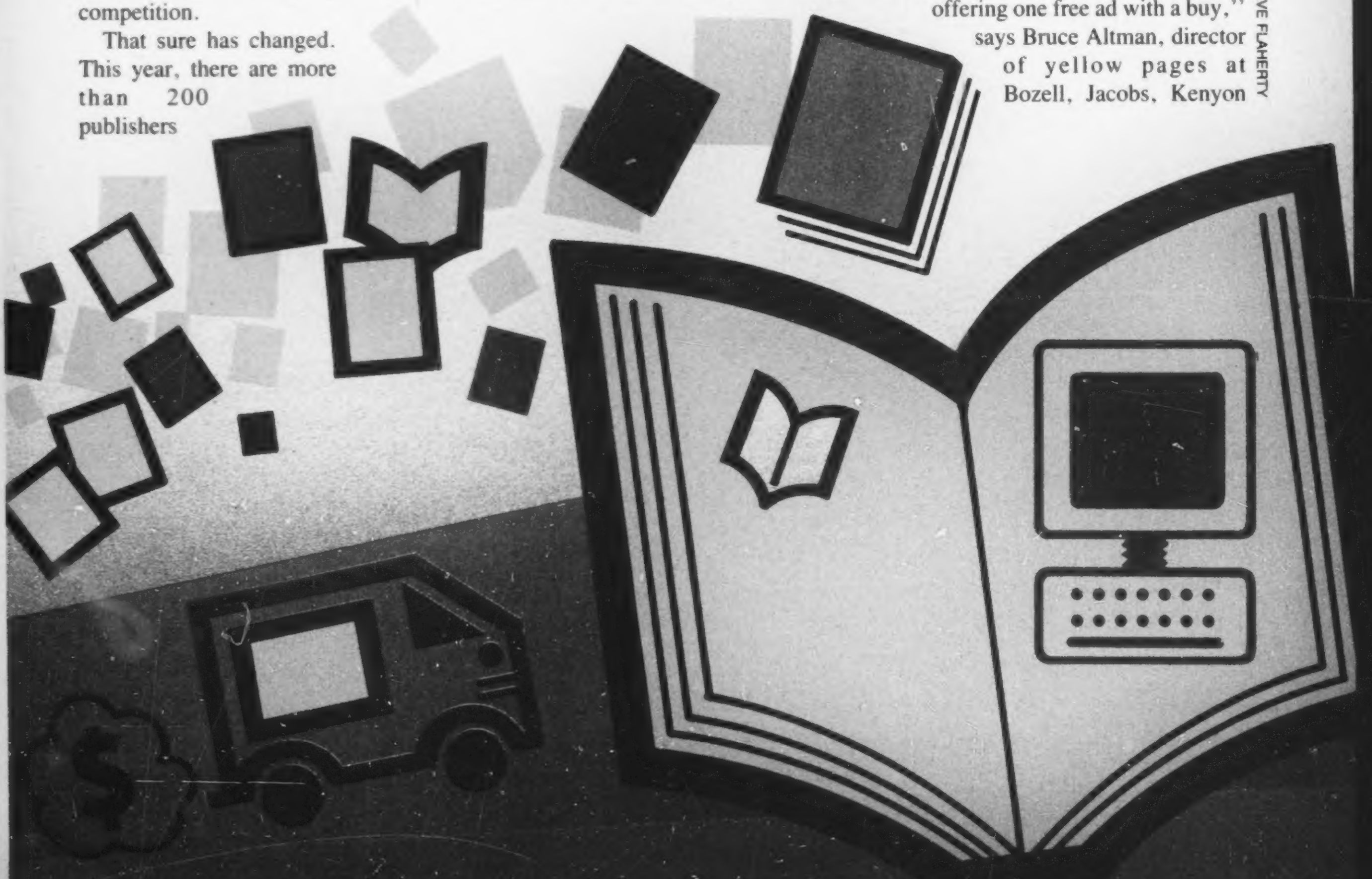


ILLUSTRATION BY DAVE FLAHERTY

& Eckhardt.

What irks advertisers is that the main utility books haven't responded with better deals for them, too. "The utilities had been going along gaily charging 10% or more each year," adds Altman. "Although with competition, they don't dare do that anymore, we still believe the increases are high."

Advertisers and their agencies also point out that directory publishing is a very lucrative business. According to PaineWebber financial analyst Donna Yeagers, pre-tax profit margins for yellow-page publishers hover at 20%. She notes this is one reason why so many newcomers have jumped into the field.

The fact that the cost to publish a yellow-page directory hasn't increased by much in recent years also is a bone of contention among national advertisers. Expenses for paper, one of the largest cost factors for publishers, actually decreased last year by 7%, notes Norman Weiner, vice president at Walker Weiner Associates, a paper cost estimator in Briarcliff Manor, N.Y. Weiner, however, is predicting a 5% raise this year and another 5% shot in 1988.

The cost to distribute the yellow-page directories also hasn't risen enough to justify the large ad hikes, national advertisers contend. But Martin Healey, controller with Product Development Corp., which distributes half the Bell directories, disagrees. He points out that the distribution cost per book over the past five years has risen from 15 cents or 20 cents to a quarter or slightly more today.

The low unemployment rate has been the chief culprit, says Healey, explaining that the firm has resorted to using temporary services to find workers 18 or older who have their own cars to distribute the books door-to-door. Since it is harder to find workers, many jobs drag out longer, which in turn causes rents for drop-off points like halls or storefronts to go up. Healey also says costs have gone up because today's smaller cars, which can't hold as many directories, have to make more trips.

In the future, though, it will be harder for publishers to point to increased production costs as the reason why rates should go up. Many publishers are beginning to use mechanized graphic systems to produce type and art. Computers spit out near camera-ready work that is printed with lasers for sharp quality.

At Southwestern Bell, which has recently implemented the process, executive vice president Ron Jennings

A CONVERSATION WITH MARY MacDONALD

Mary MacDonald is vice president and director of yellow-pages advertising at DMB&B.

On rates: "The rate increases have been going down in recent years. For instance, in 1981 and 1982, the increase was 14.3%. But for 1986, the increase was 8% and in 1987, the rate increase has been 4.3%.

"Rates have gone down because of the competition. Many of the competitive independent directories are charging as much as 40% less than the main utility book. The utility directories are not lowering rates, but they're not raising them either."

On additional services: "The directories are offering more options in the type of ads to place. For instance, we were restricted from listing multiple dealers in the smaller ads. But some directory publishers have relaxed this rule now so that the advertising costs can be split up among the dealerships.

"Also, many books have become more useful. For example, some provide such information as stadium seating arrangements and zip codes delineations. This extra value makes for a more cost efficient buy."

On competition: "Competition is already leveling out. Reuben H. Donnelley, one of the largest independent directory publishers, has cancelled plans to have books in California, Florida and in Texas areas outside of Houston. I believe most markets will end up with two or three good directories each."

On the utility books' edge: "These will remain the dominant ones, in part because they have the best data base. Even though they rent their lists to other directory publishers, they keep their own lists more up-to-date.

"Another important factor is that many of the independent directories are carrying ads from people who can't list in the utility books because they're on a pre-paid basis. A lot of these independents carry so many free ads that they are absolutely not viable. And they are becoming smaller and smaller with each issue."

On increased budgets for competitive books: "Even with the new competition, what we still generally recommend is the utitlity book. Then, we will advise placement of a smaller ad just for coverage of the market."

On cost effectiveness of specialized directories: "We've discontinued advertising in the Silver Pages for two of our clients. In our market research, we found that a lot of people didn't know what it was. Also, many older people disliked the idea of referring to separate directories." ■

NATIONAL YELLOW PAGES REVENUE GROWTH

Year	Revenues (millions)
1986	759.0
1985	694.5
1984	580.0
1983	488.7
1982	432.7
1981	379.9
1980	330.4
1979	281.8
1978	241.4
1977	208.3

Source: National Yellow Pages Service Assn.

says that, while the initial investment in equipment is high, the fully automatic system reduces labor costs. ''We had projected that we would have almost three times the number of clerical employees we have to put together our directories today,'' he notes. ''But we have been able to hold the workforce constant.''

''How do they keep increasing the rates when inflation and other major costs are going down?'' asks one disgruntled advertiser. The Consumer Price Index shows inflation of only 2% last year and 5% currently due to spurts in oil, food and commodity prices earlier in the year. Next year, according to Chase Econometrics, inflation should average slightly less than 5%.

For their part, publishers of the utility yellow pages reason that their advertisers get more for their money today because they have added more service features. In response to the independent surge, many utility books have seen fit to add such extras as zip-code listings, stadium seating arrangements and mass-transit guides.

''Besides the market coverage of the book, one of the major cost factors we consider is the usage of the book,'' says Phil Unger, director of marketing at US West Direct. ''We have been adding 24-page sections to our directories, including a four-color map of the area,'' he notes. ''This increases the usage of the book.''

Not all advertisers are swayed by this pitch. ''Yellow pages are still chiefly used as a shopping guide for an immediate service. For instance, if one of your appliances breaks down, you're going to look for a repair shop, not thumb through extraneous pages,'' argues the director of one of the larger yellow-page national advertisers.

But advertisers are having more trouble picking holes through the utility publishers' argument that their book is still the dominant force in virtually every market. That's in spite of such well-publicized and advertised moves as Southwestern Bell's forays into Manhattan last year, a move the company followed in Baltimore and Washington, D.C., this year. While Southwestern's Jennings says the books have ''met projections,'' large discounts of 40% to 50% were the required bait for advertisers.

National advertisers are quite skeptical of these newcomers. At least one ad agency, Ketchum Advertising, has researched the usefulness of the independents and the conclusions are not so favorable. According to Ketchum, consumers say they refer for help from the main utility book 70% of the time. That compares to 30% for the upstarts.

Many advertisers also believe that the plethora of directories that have emerged in many markets (everything from the Silver Pages to boating and skiing directories) are not that valuable to consumers. ''Consumers are creatures of habit and they want to deal with one book,'' says Darlene Swan, exhibits and promotion specialist with Greico Corporation, a pumping and spraying equipment manufacturer. ''That's why we're not abandoning the proven book. The utility books also have a better track record with readership studies,'' she points out.

Undaunted, the independent directory publishers are proving relentless. Even though some have cancelled plans for further expansion, many are trying to influence buying decisions by offering the ad agency and/or authorized selling rep (ASR) larger commissions. ''The commissions generally have been about 24% for an ASR, with the agency taking 15% of that. Now the new books are offering 35% for the agency and ASR,'' says Bozell's Altman.

Still, national advertisers wonder about the long-term viability of books that offer such discounted rates as a lure. The chief worry is that the independents, which often sell display ads and headings without pre-payment, will end up publishing listings only from financially strapped advertisers who may not even be in business once the book is published.

The new competition has brought some progress that national advertisers are pleased with. One area is syndicated measurement of audiences for yellow pages. Fairfield, Ct.-based Survey Sampling Inc., a market research supplier, is committing $1 million to start a third-party measurement this fall, with the first report out by the end of 1988. The plan

> ❝We endorse the idea of syndicated research 100%.❞
>
> ***Herbert Gordon***
> ***President,***
> ***Ketchum Yellow Pages***

is to measure the top 20 markets every year with 60 other markets to be sampled every three years. Findings will come from a minimum of 45,000 phone interviews and 22,000 mail questionnaires each year and will supply a wide range of usage data.

Virtually every medium other than yellow pages already has syndicated audience research. But yellow pages' lack of it has not prevented national advertisers from spending $759 million in yellow pages, an increase over 1985's $695 million. Though still a small part of total yellow-pages revenues — which hit $6.2 billion in 1986, an 11% rise over the previous year — publishers see national advertising as the growth area.

But having an impartial accounting of the yellow pages' usefulness could mean even more revenues. Says Ketchum's Gordon: "We endorse the idea of syndicated research 100%. We need an unbiased, outside force that is highly regarded. Our clients are asking for accountability."

On another accountability front, advertisers are also cheering the stronger enforcement of ad claims and trademarks usage. "You can find misleading information in the yellow pages, like shops that advertise they are open 24 hours or the use of logos of other companies," says GE's Burch. "We have been trying to get publishers to guard against this."

Whether it's a result of increased competition or not, at least two publishers, US West and Nynex, are beginning to exert more pressure on advertisers to provide correct information about their services. This makes the medium more credible in the long run, which also makes it more cost efficient, explains Burch.

Says one expert, "Eventually, all of the directories will be electronic."

Other improvements in the medium also are keeping advertisers from becoming more agitated about the increased ad rates. "If you would like to play *Star Wars*, eventually all of the directories will be electronic," says Bozell's Altman. "The only reason it hasn't worked so far is that not everyone has a computer."

Proving that imagination is as important as technological gains is the talking yellow pages. Developed by Nynex for an Albany, N.Y., trial area, it too provides nearly instant additional information about a listed advertiser. Consumers need only dial an information number in the advertisement on each printed page to find out more about details. Advertisers are hoping to see other talking yellow pages take hold, since the cost is only slightly more than a regular listing. ■

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MEDIA COSTS/DIRECT MARKETING

TAKIN' A LICKIN'

Direct mailers could get pasted by a hefty postal hike.

by Rebecca Fannin

Just when direct marketers had grown used to only moderate increases in the cost of doing business over the past two years, along comes 1988.

Business expenses for direct marketers during 1988 are expected to rise by as much as 10%, even though general inflation rates are only forecast to hover around the 5% level. The otherwise-healthy direct mail industry, whose revenues grew 10% last year to $17.2 billion, and are projected to rise another 7% next year by McCann-Erickson, is pointing the finger of blame at the U.S. Post Office.

More typical increases of 4% are projected for other key expenditures like list rental and paper. And due to the breakup of the American Telephone & Telegraph Company, slightly lower rates can be found for telemarketers who use a high percentage of long-distance calls.

But this news hardly makes up for the blow of the proposed and expected 25% hike in third-class mail costs. With postage accounting for at least 20% of many direct marketers' costs, mail order houses are under pressure to either make other elements of their marketing package perform more effectively or to raise merchandise prices to consumers.

There hasn't been such a large increase in postage rates since 1971, due in part to strong lobbying efforts by the Direct Marketing Association. In fact, there haven't been any postal increases since the 13% hike in 1984. That is just one of the many reasons why this proposal should be particularly tough to beat.

The U.S. Post Office is justifying the asked-for rise from results of a recent study. The report shows that the largest customer — third-class mail, which represents 51% of total revenues — has been undercharged.

The post office study was spurred in part by the American Newspaper Publishers Association (whose members compete for ad inserts with companies like Advo Systems Inc. and its Marriage Mail program). The gist of the study's findings is that because of the increased volume of mail today, postal carriers are spending more time actually delivering envelopes and

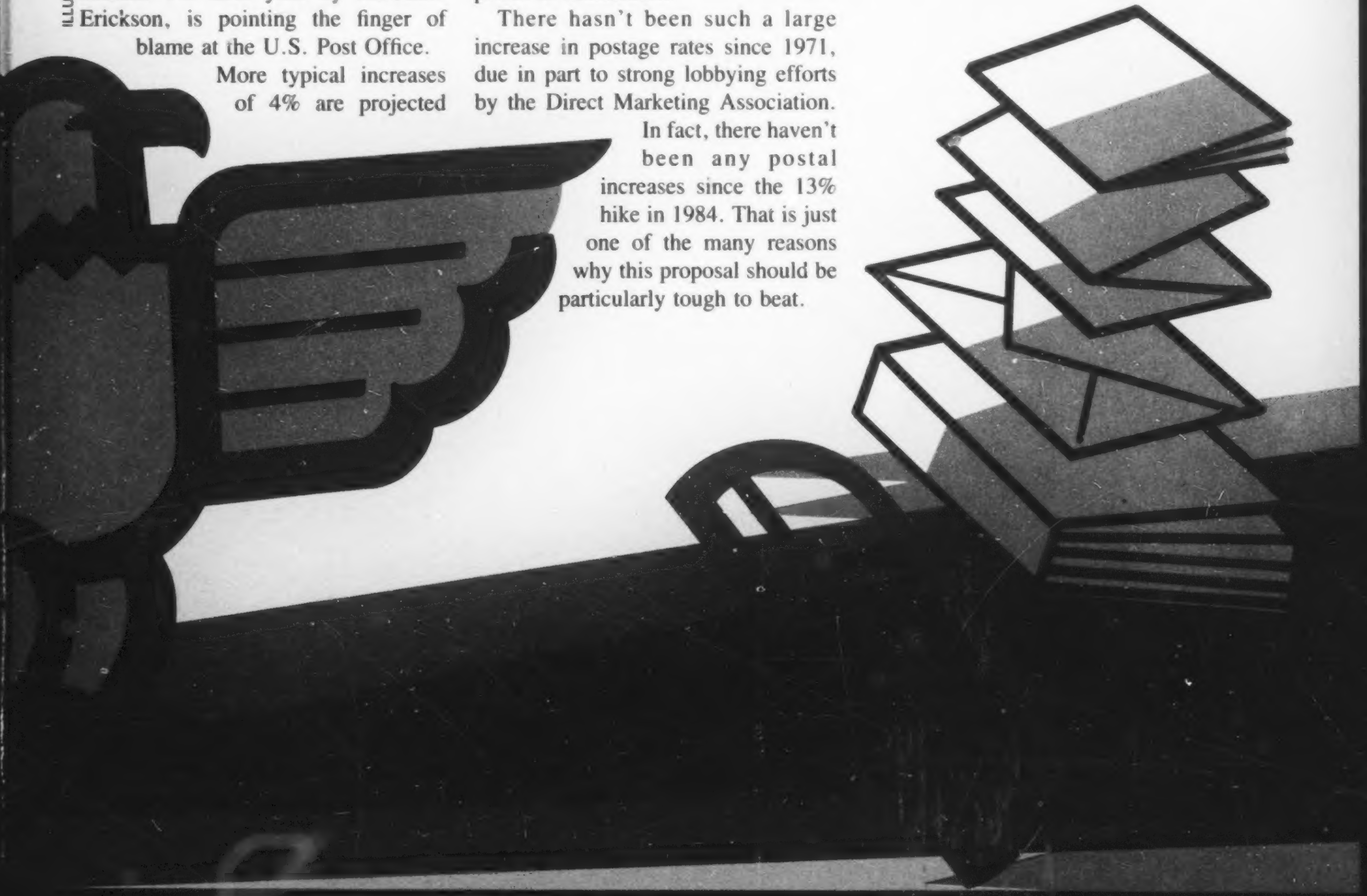


ILLUSTRATION BY DAVE FLAHERTY

packages than in walking the route.

Therefore, more costs can be attributed to certain classes of mail. Third class is coming under a lot of heat partially because the post office wants to avoid raising the price of a first-class stamp beyond a quarter for the first ounce. Secondly, because third-class mail is booming — it grew by 13% in 1985 and 10% last year — the post office figures that more of these attributable costs should be passed on to this type of mail.

''It's going to be tougher to fight this proposal,'' affirms Dick Barton, chairman of the DMA's government affairs committee. ''There is more justification for a cost increase.'' But Barton plans a full-scale lobbying attack based upon a study of the postal service's revenue requirements. Another bone the DMA has to pick with the postal service is the percentage of mail that is not delivered. According to the DMA, this figure ranges from 3% for an endorsed envelope with return postage guaranteed, to 10% for a catalog and 20% for a coupon mailer. A decision on rates is due March 1988.

Many direct marketers are already preparing for the worst. ''We expect our mailing costs to climb by $10 million next year,'' says Michael Fisher, vice president at the large mail-order firm, Fingerhut Corporation. Fingerhut uses third class for solicitations, first class for correspondence and fourth class for shipping. First-class mail is projected to increase by 14% and fourth class by 15%.

TEN LARGEST U.S. MAIL ORDER ADVERTISERS

Company	Revenues (millions)
Sears, Roebuck	2,062
J.C. Penney	1,932
Time Inc.	1,868
United Services Automobile Assn.	1,589
Geico	1,396
Reader's Digest	1,250
American Can	1,133
Capital Holding	1,024
American Automobile Assn.	1,000
Otto Versand (Spiegel)	890

Source: Marketing Logistics

With third class accounting for nearly half of the furniture and apparel merchants' costs, however, it is coming under the closest scrutiny. ''There are new discount structures in the third-class proposal,'' notes Fisher, ''so that if you mail 10 pieces within a zip code region, you qualify for a discount from 16.5 cents piece to 13 cents.'' But, he moans, ''even though we mail nationwide, we send out so many pieces at different times of the year that it will be difficult to qualify for the discounts.''

Herb Gertz, a vice president at Donnelley Marketing, distributor for the Carol Wright coupon program, also is bracing for a 10% increase in operating costs as a result of the postal increase. ''We will have to charge more to our customers if this cost increase does go through and it will weaken us competitively,'' says Gertz. Direct mail programs like Carol Wright deliver about 4% of the total coupons distributed, compared to 70% for free-standing inserts, which are delivered with newspapers.

Because of the likelihood that direct

A CONVERSATION WITH IRIS SHOKOFF

Iris Shokoff is the executive vice president of Grey Direct, the fourth largest direct marketing agency in the U.S.

On the proposed postal increase: ''The Direct Marketing Assn. has a very strong lobby, so the rates proposed probably won't go through. But if they do, they could put small direct marketers out of business. You can make up the difference by passing along the extra costs to consumers, but this isn't always a viable option. Besides, margins are already low.''

On direct mail alternatives: ''If marketers are priced out of direct mail, they can look at direct response television and print. And print is more negotiable since *McCall's* has begun dealing off the rate card. As for television, we find it very cost-effective. For instance, a 120-second spot is approximately 30% of the cost per thousand of a 30-second commercial. A 6 second commercial is 20% of a 30-second's cost per thousand.''

On list costs: ''They've increased but not disproportionately. But often, the lists aren't kept as up-to-date as they should be. Also, the onus is on direct marketers to screen lists. They need to mail more frequently to better customers and build up a personalized two-way communication. And with computers providing more sophisticated information about consumers' purchasing habits, it's easier to be establish this relationship.''

On paper costs: ''There hasn't been a paper shortage in three years, and that was minor compared to the infamous one in the 1970's. So paper costs should be stable.'' ■

marketers will be smacked with large mailing increases, many are looking beyond the mailbox. "To the extent that these postal increases make direct marketing less effective, then it will lead to direct response space and television advertising," points out Jim Kobs, chairman of Kobs & Brady Advertising.

Direct response media, however, could fall under cost pressure next year, too. With the 1988 Olympics and the presidential elections, tv air time is likely to be at capacity, points out executive vice president Iris Shokoff at Grey Direct. But she believes that direct response, which is sold at a heavily discounted rate but which is pre-emptible by a full-paying spot, will still remain a relative bargain.

Magazine costs for direct response aren't expected to be troublesome though. "While the cost of magazines has risen in the 1980's as compared to the 1970's, we still believe that in print, we will be able to buy remnant space at heavily discounted rates," says Shokoff. "The only trade-off is that you have to be flexible about what positionings you can get. But with rates being negotiated now, we will be looking for greater savings," she adds.

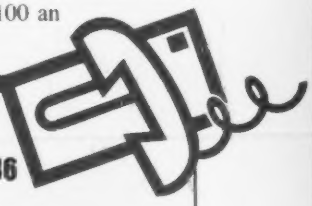
Those who stick with direct mail may ultimately be forced to absorb the additional costs simply by mailing more effectively. "My own opinion is that the postal costs will be a difficulty, an added dimension to the challenge," says Henry Johnson, vice-chairman of mail order catalog, Spiegel, Inc. "When most mail order solicitations only get a 2% response rate, then there is still a lot of mail opportunity left, and this has nothing to do with the postal increases," he argues.

At McCann Direct, general manager George Lynaugh recommends that very slight changes in the direct mail package can make up the difference in postal rate increases. "One of the cost reductions we recommend is, instead of using laser printing lettering for a personalized salutation, use a matchfill or preprinted salutation. There are considerable savings and a barely noticeable difference," Lynaugh advises.

At the Signature Group, a health and life insurance direct marketer, ways of absorbing the cost increases are also being studied. Marketing services manager Linda Beher reports that one method they are looking at is whether to enter into longer-term contractural arrangements for pieces of the direct mail package, like the address. "At the moment, we bid every job, but we think we could get sharper discounts if we group a client's jobs together with longer terms," she explains.

With postal costs a pressing concern, direct marketers are looking to other key cost areas such as list rental for possible savings. List rental accounts for approximately 16% of mailers' expenses. List prices have been relatively stable, approximately $60 per 1,000 names, according to Ralph Stevens, president of list manager, Woodruff-Stevens & Associates.

Direct marketers should also breathe a sigh of relief at the stable outlook for paper and printing production costs, which eat up another 30% of direct marketers' budgets. Paper costs for the coated stock most direct marketers use showed a slight decrease toward the end of 1986, according to Norman Weiner, vice president of Walker Weiner Associates, which makes paper costs estimates. "More recently, however, they have readjusted upwards," says Weiner, "and we expect slight increases toward the end of the year of 3.5%."



WHERE THE DOLLARS ARE
Direct Marketing's Ad Expenditure Profile, 1986

SHARE BY ADVERTISERS	SHARE BY TYPE	SHARE BY MEDIA
49% Mail Order	88% Consumer	49% Catalog
28% Retail	10% Business	40% Direct Mail
12% Publisher	2% Mixed	5% Magazines
8% Manufacturer		3% Newspapers
2% Wholesaler		2% Television
1% Other		1% Other

Source: Direct Marketing Association

Driving the additional costs are increasing demand for paper in 1988, a year of both a presidential election and the Olympics. But counteracting this factor is the arrival of imported paper to ease shortages. Weiner estimates that imported papers supply 8% of the market needs.

Because of the crunching cost increases expected in mail, however, direct marketers are searching to cut their paper budgets further. "We are looking into the possibility of buying our own paper," says Signature's Beher. "It's currently purchased through the printing plant and there is a 3% to 5% markup," she says. "That can be considerable since paper is half of our printing cost."

Telemarketing expenses are also mitigating. According to Fred Tregaskis, president of CCI Telecommunications, the cost of nationwide campaigns should be level next year after falling shortly after the AT&T break-up. The average hour-long business call is $100 an hour. The only offsetting factor, he notes, is the higher cost of local calls as telephone companies ease more expenses over to this part of the bill, which was subsidized in part by higher long-distance rates.

The ultimate cost efficiency challenge for direct marketers, however, is finding ways of making the direct marketing messages more valuable to potential buyers — and therefore avoid waste. Says Spiegel's Johnson: "Only about 30% of the nation buys by direct marketing. To run cost-efficient operations, we need to search out new buyers, make our offers tempting and turn them into frequent purchasers." ■

MAGAZINES

by Deborah Solomon

Associate media research director, J. Walter Thompson USA

OUT ON THE LAUNCH LIMB

No one knows exactly how many new magazines are launched each year. The latest *Guide to New Magazines* by Samir Husni lists 372 titles that debuted in 1986. His statistics are based on a comprehensive review of newsstands and publishers' notices, and they include annuals and one-shots. Between 300 and 400 regularly scheduled publications are announced each year in the trade press, but only half actually make it to the first issue.

The number of successful launches is smaller still. A review of the current Standard Rate and Data Service (SRDS) shows that only about 100 of the 100,000+-circulation magazines that have been launched in the past ten years are still around today. The major success stories in this group include: *American Health, Country Living, Country Home, Self* and *Home*.

Media planners are often asked to evaluate new magazines as advertising vehicles. Obvious criteria such as target market, editorial content, circulation and cost are usually considered. In addition, many planners are asked, "Will this new magazine be a success?"

What causes some magazines to succeed when so many fail? One important factor is the credibility and reputation of the publisher. An experienced publisher has established distribution channels, sales outlets and, most importantly, financial muscle. These factors, however, are still no guarantee of success. Recent failures by major publishers include: *Picture Week* and *TV/Cable Week* (both from Time Inc.); *Spring* (Rodale); *Science Digest* (Hearst); *Families* (Reader's Digest); and *Panorama* (Triangle).

Another important factor in a new magazine's success is how well the magazine fills an unmet market demand.

Successful publishers tend to conduct a great deal of research to make sure there is a market for the proposed publication and that the market is big enough to support the publication. When there is a market niche, usually several publishers will come in with magazines. The current proliferation of parent and baby magazines or 1984's rush on computer books are good examples of this.

However, most markets can only support a limited number of publica-

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tions. In the parent/baby field, there already appear to be too many new publications for the size of the market and a shake-out has started to occur. This was the case in the computer field in 1985.

Some of the other factors that improve a magazine's chances are:

- *A well conceived and executed editorial focus and marketing plan.* This point is obvious. If the publisher does not have a clear editorial focus for the magazine, readers will be confused and may not return for subsequent issues. Furthermore, the editorial should be consistent from one issue to the next to maintain reader loyalty. If the marketing plan is unfocused, the magazine won't get into readers' hands in the first place.
- *A target that is attractive to advertisers.* About half of most consumer publications' revenues come from advertising. Advertisers use magazines that reach their target markets.
- *Circulation goals that are realistic and attainable.* Most magazines only reach a small portion of their target audience's total universe. In setting circulation goals, a new magazine must be aware of how large this total universe is and have expectations that are well within this size.

The accent in recent launches from the likes of Time and Conde Nast is on reshaping acquired books rather than starting new ones from scratch.

- *Strong distribution channels to attain that circulation.* Any magazine needs reliable distribution that can get copies of the publication to the right readers at a reasonable cost. It is particularly important for a new magazine to have a distributor that can get it visibility at the right newsstands. The magazine circulation department must be able to generate the right proportion of subscriptions among people in the magazine's demographic target.
- *An experienced and talented staff, particularly the publisher and editor.* For the best chance of success, the publisher should have experience with new magazines or with other magazines that are similar in content and/or target. At a minimum, the publisher should be entrepreneurial. The editor should be adept at producing a good product for the reader.
- *Pricing (both cover price and ad rates) that is in line with competitors.* If a new magazine's cover price or CPM's are too high, advertisers and readers will not buy it.

The accompanying chart illustrates the major launches of the past decade, about half of which have survived.

There was a great deal of activity in new magazines last year. However, many of the concepts in test were cancelled, and publishers such as Time Inc. and Conde Nast shifted their em-

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In the affluent Daily News market of Los Angeles, Daily News circulation growth continues to outpace its chief competitor year after year. In fact, over the past seven years, Daily News circulation has increased more than 43,000 as compared to only 3,700 for the Los Angeles Times. *

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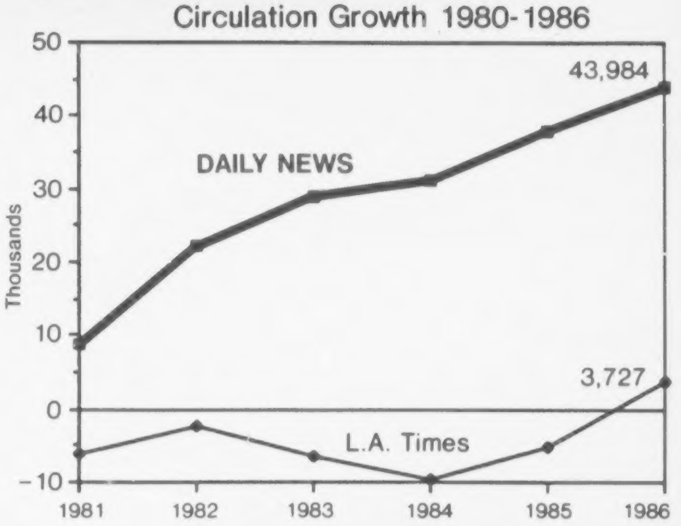

* Number represents circulation growth in Daily News market only (in northern Los Angeles and southern Ventura counties). Daily News total circulation is 153,000 daily, 165,000 Sunday. Source VAC Reports 1980; ABC Audit Reports 1981-1986.

phasis to acquiring titles.

Time Inc. had the most new-magazine and acquisition activity recently. Last October, the publishing conglomerate acquired *Women's Sports and Fitness*. The following month, Time Inc. strengthened its foothold in the women's market by entering into a joint venture with *Working Woman* to purchase McCall Publishing. The deal includes *McCall's*, *Working Mother*, *Working Mothers Digest*, *Baby!* and several special-interest titles. In addition, if the deal goes well, there is a possibility Time Inc. will buy out *Working Woman*'s share, and *Working Woman* too.

While Time Inc. was making inroads in the women's market, Hearst was expanding its interest in the men's by buying *Esquire*. The monthly will fill the void left by Hearst's folding of *Science Digest* last summer and may become the kingpin of an upscale men's package to be offered to advertisers. Current plans are to "refocus" editorial to appeal to a slightly older audience.

Conde Nast became a presence in the travel market with its buy of *Signature*. The monthly will be renamed *Conde Nast Traveler* starting with the September issue. The editorial is becoming more upscale and circulation acquisition will be expanded to include newsstand sales.

Reader's Digest is also getting into the travel field. In its first U.S. magazine buy, *Reader's Digest* is acquiring *Travel/Holiday*. The monthly's purchase is part of *Reader's Digest*'s "strategic plan" for future growth.

With all this acquisition activity, look for 1987 to be a year of new "pre-existing" magazines with many of the same problems faced by new (from scratch) publications. ■

MAJOR NEW MAGAZINES OF THE PAST TEN YEARS

Year Launched	Magazine	Publisher	Current Status	12/86 Circ.* (000's)
1977	*Games*	Playboy (now PSC)	Uncertain	562
	Omni	Penthouse	Stable	858
1978	*Country Living*	Hearst	Growing	1,619
	Food & Wine	American Express	Stable	713
	Life (revived)	Time Inc.	Stable	1,719
	Self	Conde Nast	Growing	1,090
	Venture	Venture	Stable	330
	Working Mother	McCall's	Stable	555
1979	*Geo*	Gruner & Jahn (also Knapp)	Gone	n/a
	Inc.	Inc.	Growing	607
	Savvy	Savvy	Stable	356
	Science '79	Amer. Assoc. for the Advancement of Science	Gone	n/a
1980	*Country Home*	Meredith	Growing	828
	Discover	Time Inc. (now Family Media)	In flux	1,329
	Families	Reader's Digest	Gone	n/a
	inside Sports	Newsweek (now Century)	Stable	411
	New Shelter (now Practical Homeowner)	Rodale	In flux	708
	Next	Litton	Gone	n/a
	Panorama	Triangle	Gone	n/a
	Science Digest	Hearst	Gone	n/a
	American Health	American Health	Growing	795
1981	*High Technology*	High Technology Pub	Stable	290
	Home	Knapp	Growing	809
	Technology Illustrated	High Technology Pub	Gone	n/a
1982	*Spring*	Rodale	Gone	n/a
1983	*Family Computing*	Scholastic	Growing	431
	TV/Cable Week	Time Inc.	Gone	n/a
	Vanity Fair	Conde Nast	In flux	418
1984	*Nat. Geo. Traveler*	National Geographic	Growing	848
1985	*Elle*	Hachette	Growing	603
	New Look	Penthouse	Gone	n/a
	Spin	Penthouse	Stable	150
	Picture Week	Time Inc.	Gone	n/a
	Good Food (revived)	Triangle	In flux	952
1986	*Midwest Living*	Meredith	Too soon to tell	400*
	Parenting	Time/Wolaner	Uncertain	200*
	Taxi	Taxi	Too soon to tell	350*
	Child	Taxi (now New York Times)	Too soon to tell	200*
1987	*Cooking Light*	Southern Progress (Time Inc.)	Too soon to tell	450*

Source: Audit Bureau of Circulations; asterisks note rate bases.

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BRAND REPORT

No. 144: Sports Cars

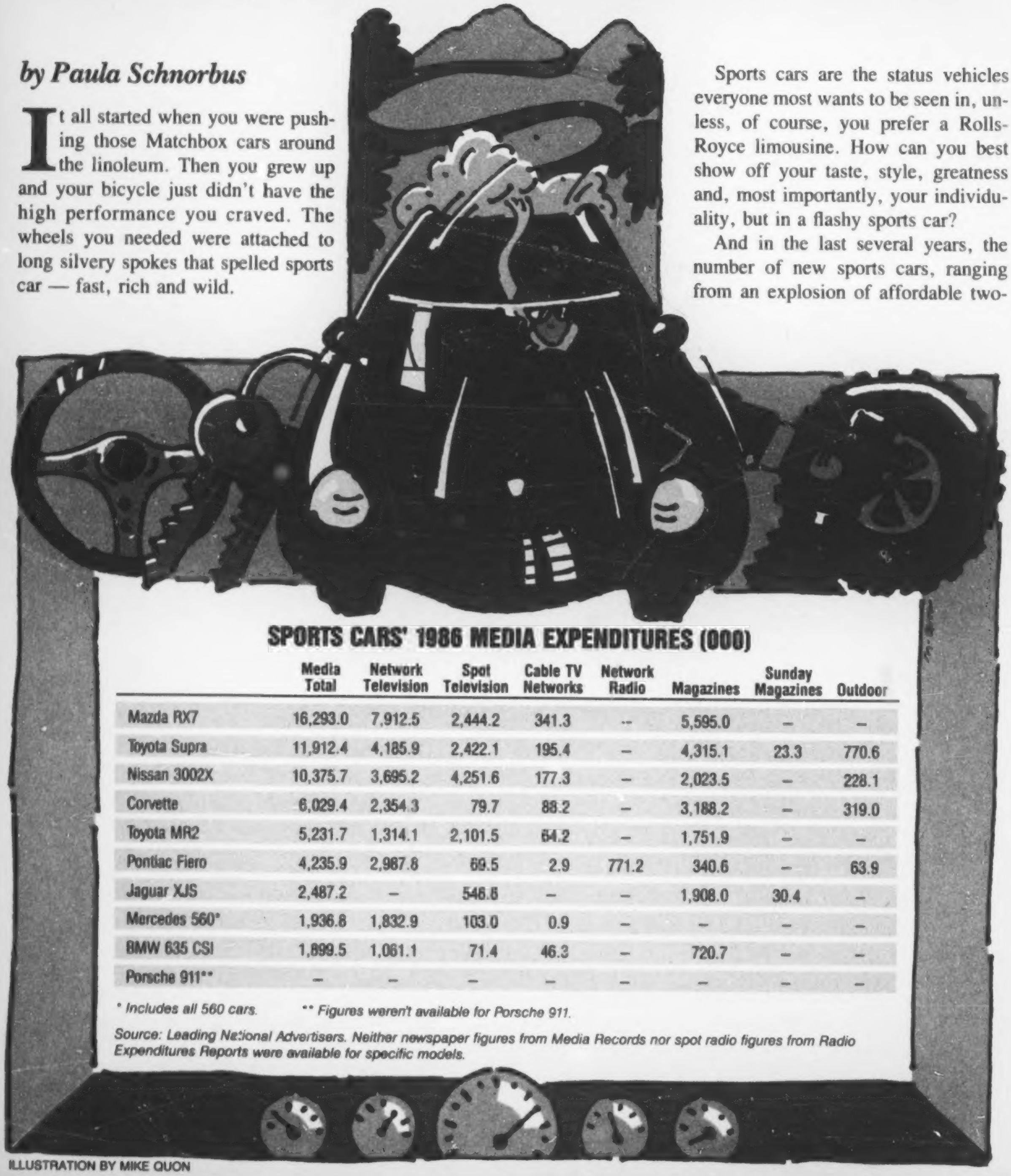
THE NOT-SO-FAST LANE

by Paula Schnorbus

It all started when you were pushing those Matchbox cars around the linoleum. Then you grew up and your bicycle just didn't have the high performance you craved. The wheels you needed were attached to long silvery spokes that spelled sports car — fast, rich and wild.

Sports cars are the status vehicles everyone most wants to be seen in, unless, of course, you prefer a Rolls-Royce limousine. How can you best show off your taste, style, greatness and, most importantly, your individuality, but in a flashy sports car?

And in the last several years, the number of new sports cars, ranging from an explosion of affordable two-



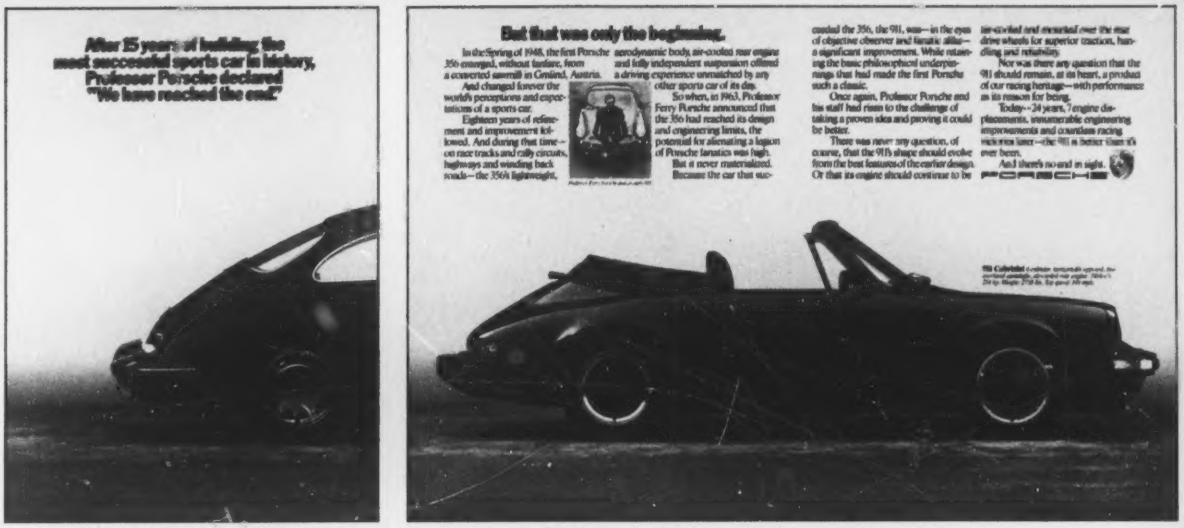
SPORTS CARS' 1986 MEDIA EXPENDITURES (000)

	Media Total	Network Television	Spot Television	Cable TV Networks	Network Radio	Magazines	Sunday Magazines	Outdoor
Mazda RX7	16,293.0	7,912.5	2,444.2	341.3	--	5,595.0	–	–
Toyota Supra	11,912.4	4,185.9	2,422.1	195.4	–	4,315.1	23.3	770.6
Nissan 3002X	10,375.7	3,695.2	4,251.6	177.3	–	2,023.5	–	228.1
Corvette	6,029.4	2,354.3	79.7	88.2	–	3,188.2	–	319.0
Toyota MR2	5,231.7	1,314.1	2,101.5	64.2	–	1,751.9	–	–
Pontiac Fiero	4,235.9	2,987.8	69.5	2.9	771.2	340.6	–	63.9
Jaguar XJS	2,487.2	–	546.6	–	–	1,908.0	30.4	–
Mercedes 560*	1,936.8	1,832.9	103.0	0.9	–	–	–	–
BMW 635 CSI	1,899.5	1,061.1	71.4	46.3	–	720.7	–	–
Porsche 911**	–	–	–	–	–	–	–	–

** Includes all 560 cars.* *** Figures weren't available for Porsche 911.*

Source: Leading National Advertisers. Neither newspaper figures from Media Records nor spot radio figures from Radio Expenditures Reports were available for specific models.

ILLUSTRATION BY MIKE QUON



After 15 years of building the most successful sports car in history, Professor Porsche declared "We have reached the end."

But that was only the beginning.

In the Spring of 1948, the first Porsche 356 emerged, without fanfare, from a converted sawmill in Gmünd, Austria.

And changed forever the world's perceptions and expectations of a sports car.

Eighteen years of refinement and improvement followed. And during that time—on race tracks and rally circuits, highways and winding back roads—the 356's lightweight, aerodynamic body, air-cooled rear engine and fully independent suspension offered a driving experience unmatched by any other sports car of its day.

So when, in 1963, Professor Ferry Porsche announced that the 356 had reached its design and engineering limits, the potential for alienating a legion of Porsche fanatics was high.

But it never materialized.

Because the car that succeeded the 356, the 911, was—in the eyes of objective observer and fanatic alike—a significant improvement. While retaining the basic philosophical underpinnings that had made the first Porsche such a classic.

Once again, Professor Porsche and his staff had risen to the challenge of taking a proven idea and proving it could be better.

There was never any question, of course, that the 911's shape should evolve from the best features of the earlier design. Or that its engine should continue to be air-cooled and mounted over the rear drive wheels for superior traction, handling and reliability.

Nor was there any question that the 911 should remain, at its heart, a product of our racing heritage—with performance as its reason for being.

Today—24 years, 7 engine displacements, innumerable engineering improvements and countless racing victories later—the 911 is better than it's ever been.

And there's no end in sight.

PORSCHE

911 Cabriolet [illegible]

The Porsche 911 was advertised last May after some thought the car had been dropped.

seaters to turbo-charged models, has been accelerating. The growth has been fueled by the 80 million people who are now in the post-war, high-expectation generation, says Arvid Jouppi, senior vice president and auto analyst with Keane Securities Co. "Sports cars are fun, and this generation is a rich market for it. People who don't have the trauma of the Depression in their psyche, they buy high," he says.

Still, in 1986, sports cars and luxury sports models accounted for a mere 2.4% and 0.6%, respectively, of the entire auto market, according to J.D. Power & Associates, a Westlake Village, Calif.-based automobile information company. The sports car industry is estimated to have been about $6 billion in 1986, and it isn't expected to race ahead anytime soon. In fact, John H. Hammond Jr., managing partner and auto analyst at Power, reports that sports cars are "having a tough time." He finds that sales are picking up, but from extremely low levels earlier this year. He expects sales may be bolstered by a strengthened economy, lower gas prices and incentive campaigns.

Sheldon Payne, corporate product development manager at Nissan, adds that the overabundance of new sports cars may be flooding themselves out. He says that "really fierce competition" has stolen sales from Nissan's 300 ZX. While 60,000 are usually sold yearly, the number dropped to 53,000 last year, and Nissan "hopes" to sell 46,000 in 1987.

Further contributing to sluggish sales has been the strength of foreign currency against the dollar. For example, Toyota's prices have risen 21% since September 1985, a spokesman says. But Jan Olson, Toyota's national manager, advertising strategy and media, notes that although performance car sales are flat, Toyota, like its rivals, doesn't want to be a volume leader but a sports car leader.

Luxury sports cars, like their plush seating, seem to be cushioned against any really soft sales. Why? "Those buyers are insulated from adversities," says Hammond.

Sports cars have had quite an evolution in the last 20 years as strict federal regulations on emissions control and crash testing requirements cracked down on auto makers. British sports cars such as the MG and the Triumph took a beating. "It became less and less economical to sell the cars in this country," says Bill Lovell, senior editor of *AutoWeek*. "The MG was the classic example of changing the bumper height to meet federal standards. It became hideous."

Around that time, says Payne, "the Japanese, or Nissan, being the opportunists they are, saw that the market would like a reliable, low-priced sports car." Hence, the Datsun 240Z came down the pike in the fall of 1969. (Datsun later changed its name to Nissan.) Lovell calls the 240Z "a historically very important car," with more power and a more modern chassis. The car was followed by the 260Z and the 280Z.

The Mazda RX-7 pulled up in 1977 to fill the gap the Datsun 280Z left when it went upscale, says Mazda Motors of America (Central) Inc. marketing vice president Duane Bowen.

The RX-7 itself began hiking up its price and now sells to the tune of $15,199. In recent years, affordable two-seaters, such as Toyota MR2 and Pontiac Fiero, have hit the showrooms, and, in its first year, Fiero, which was introduced not as a sports car but a commuter car, had the biggest number of units sold in 1986. In 1984, its first year, it couldn't keep up with demand. Industry observers say consumers finally realized it wasn't a true sports car, but Pontiac has been working on pepped up versions to remedy that. Two-seater target audiences include families who want a second car and yuppies with disposable income.

Sports cars are advertised largely in car buff magazines and anything from newsweeklies to cultural publications and on network and spot tv. While the average sports car maker doesn't spend bags of money on advertising, the luxury models are barely advertised at all except in enthusiast and upscale magazines and the newsweekly editions that are delivered to the affluent. Marketing managers tend to smugly agree that their cars are so well-known they don't need to be advertised.

Advertising particularly disturbs

Gerhard Blendstrup, Porsche's vice president, marketing. The company recently started spotlighting Porsche 911 in its ads after some thought it had been dropped from the line, he explains. "I think Porsche shouldn't be advertised," reasons Blendstrup. "You don't advertise a love affair. You can talk about it, but not advertise it."

Following is a list of the biggest selling units of sports cars and luxury models and their market shares based on 1986 figures from J.D. Power. Pontiac Fiero was the number-one seller, with 68,340 sold and a 24.6% market share; Mazda RX-7, 56,203, 20.2% market share; Nissan 300 ZX, 52,936, 19% market share; Toyota Supra, 33,823, 12.2% market share; and Toyota MR2, 28,851, 10.4% market share.

Corvette tops off the luxury sports car list with 33,027 sold and a 50.8% market share; Mercedes 560 SL sold 12,565 and had a 19.3% market share; Porsche 911 (not including the 911 Turbo) 6,699, 10.3% market share; Jaguar XJ-S, 4,885, 7.5% market share; and BMW 635 CSI, 2,978, 4.6% market share.

The advantages every Fiero driver can bank on.
PONTIAC FIERO

Fiero wasn't a sports car initially but a commuter car.

Pontiac Fiero

Pontiac's two-seater, which easily heads J.D. Power's biggest selling sports car list in 1986, was first marketed in model year 1984 as a commuter car.

Sam Slaughter, Fiero marketing specialist, explains that the car was pitched to both men and women who were in their late 20's, or about 28 years of age. Average household income, which may have included two incomes, was $41,000.

By 1985, the age of the target audience increased to 30, and income rose to $43,400 for the new Fiero GT. A V-6 engine was introduced. "We started to break away to get more of a sports enthusiast," says Slaughter. About 70% of the target audience was under 35 in 1984. By 1985, the GT strategy brought the share to 64%. In 1986, the targeted annual household income rose to $47,600.

The new Fiero Formula, formerly an SE, will be introduced this fall. "It will be geared to a buyer who is interested in a sports car with acceleration and excellent handling, but who isn't able or old enough to buy a GT," says Slaughter, who notes that the SE was discontinued. "There was no niche for a luxurious Fiero." The Formula also will be pitched to both sexes.

All Fiero models will be completely redesigned with new suspension systems. Slaughter says the base car will be "more supple and easy to drive." The GT will be "more aggressive."

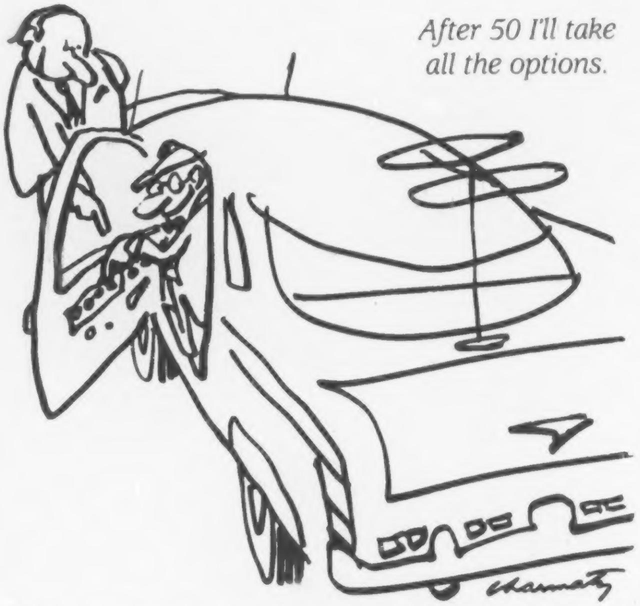
A multi-line strategy will be used to advertise Pontiac's range of small, sporty cars in one fell swoop. Ads by D'Arcy, Masius, Benton & Bowles, Bloomfield Hills, Mich., may appear on *L.A. Law* and *Late Night with David Letterman*. Fiero is getting more involved with the college market. The reasoning is that the Fiero will be attractive as a first-car buy. Fiero's base price in 1984 was $7,999, and by 1987, it rose to $8,299. "If we can sell them a Fiero, that's great, but maybe they'll buy some other Pontiac, which is another objective," Slaughter says.

In 1986, LNA reports that Fiero had $4.2 million in ad expenditures, mostly in network tv and network radio.

Mazda RX-7

Mazda RX-7's rotary engine began whirring 10 years ago when the company saw a hole in the sports car market after Datsun's 280 ZX "moved upscale a little bit," explains Duane Bowen, vice president, marketing.

After 50 I'll take all the options.



93% of our readers own at least 1 car, with 1 in 5 preferring standard or luxury models.

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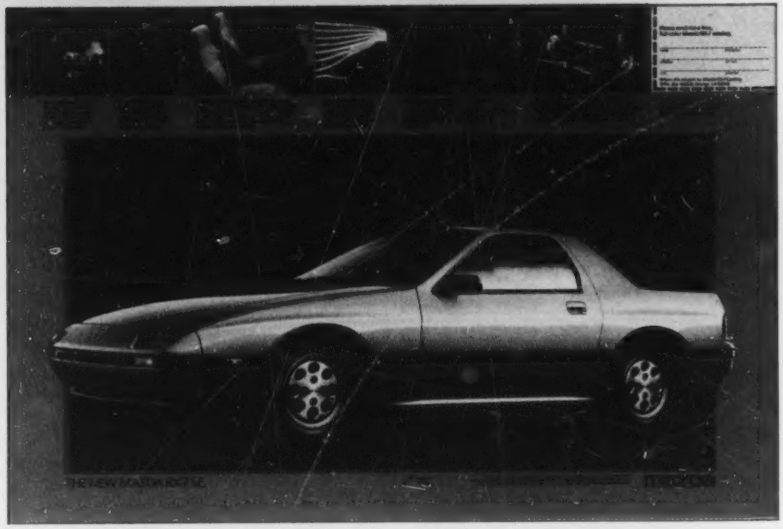

Mazda RX-7 didn't intend to lose its appeal to women.

The target audience initially included both men and women, but as the RX-7's price steadily rose and its body became "more classical, or a true sports car," the percentage of women driving the car dropped to 36% in 1986 from 50% two years earlier. "It's not something we intended to do," says Bowen. The RX-7 is being marketed to professional or college-graduated men 25 to 44 years old with a household income of $40,000 plus. The car's price ranges from $15,199 to $27,999.

RX-7's media mix is 70% broadcast and 30% print. The 30-second tv spots can be seen on sports events such as NFL football and NCAA basketball and weekend news shows. Ads are heaviest in car enthusiast magazines, but the RX-7 also may be seen in newsweeklies as well as *USA Today*. Dealers and salespeople may win free vacation trips through special incentives. Radio and outdoor aren't used on a national basis, although dealers may use them, says Bowen. Billboards are harder to get, he says, as their numbers shrink in key markets.

Mazda hasn't scrimped on advertising dollars. According to LNA, it spent the most in 1986 of the 10 cars listed in this report. Almost $8 million was spent on network tv with $5.6 million on magazines and lesser amounts on spot and cable tv, all of which add up to $16.3 million. Foote, Cone & Belding, Santa Ana, Calif., is the agency.

Nissan 300 ZX

Eighteen years ago, the Datsun 240Z had a sticker price of $4,000. A few engine displacements later, the least expensive Nissan 300 ZX currently is being sold at $19,000, and, with leather trim, the price can soar to

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The 300 ZX has risen to $19,000 from the 240Z's original $4,000.

$26,000. (The price of Nissan's entire line of cars has risen several times, most recently twice this spring because of the strong Japanese yen).

The original Z car came at a time when the market was wide open for a reliable, low-priced sports car, says Sheldon Payne, corporate product development manager. Federal regulations made styling a challenge, says Payne, citing emission regulations and bumper standards.

Nissan also designed a bigger interior to accommodate bigger American drivers. Ninety percent of the Nissans produced are sold in this country.

Today, sports car buyers are more performance-oriented than ever. "Now it's a driving experience more than a necessity," says Payne.

The biggest buyers of the 300 ZX are young couples and single males with annual household incomes of $30,000 to $50,000. Payne also notes there are some lower-income singles; two-income couples that make less than $30,000 a year; and high-income females. All told, the car is predominantly purchased by males.

Nissan's flagship car is advertised in upscale and men's magazines such as the newsweeklies, *Playbill* and *Omni*. Thirty-second spots have appeared on *Monday Night Football* and *Miami Vice*, and 60-second spot radio commercials and 30-second network radio ads have aired. Nissan also sponsors sports events, including the games of the Baltimore Orioles and the New York Rangers. Outdoor advertising is heavy in Los Angeles and San Francisco. The 300 ZX's ads also appear on cable tv's *Nashville Network*. The *Wall Street Journal* and local newspapers in special markets are used. LNA reports that in 1986, about $10.4 million was spent on ad expenditures, most of which were in network and spot tv advertising, with $2 million in magazines. Terence Foutz, national car advertising manager of Nissan, wouldn't comment on LNA's figures except to say that Nissan's budget hasn't changed much from last year.

After some eight years, William Esty recently was dropped because of dissatisfaction with the agency's creative, which was "inconsistent . . . sometimes brilliant, sometimes not all that good," a Nissan spokesman says. A new agency hadn't been announced at press time.

Toyota Supra

Supra started as a hybrid of the Celica in 1979. But as the continuing evolution of sports cars thundered along, Toyota wasn't about to be left in the dust. It launched a redesigned sports car category with the Supra for the 1986 model year.

Jan Olson, national manager, advertising strategy and media, says that those who covet a high-performance engine "want to feel that they are above it all in driving their car; they want the true race car attributes but something they can drive."

The Supra, which currently has a $20,890 base price, was designed for a 70% male target audience with a median age of 34 and median income of $53,000. Half of those men will be married; 85% of them have attended or graduated from college; and 66% of them are professionals. They are "men who have arrived and can afford" to buy a Supra.

The target audience isn't much of a tv audience, so print advertising is favored. In addition to the enthusiast books, Supra can be found nationally in *Black Enterprise* and also in *Playboy*, for example. When the car was launched, national tv and pre-screen advertising in movie theaters were used as well as outdoor advertising.

LNA reports that in 1986 Toyota spent about $4 million each on network tv and magazines and almost $2.5 million on spot tv with the rest in cable tv, Sunday magazines and outdoor, adding up to almost $12 million.

New creative will be out in October, lumping all of Toyota's performance cars — those that are specialty vehicles and not high in volume sales — together in a multi-unit creative execution. Saatchi & Saatchi DFS Compton is the agency.

Toyota MR2

Toyota likes to think of the MR2 as a lower-priced version of the Supra, says Olson. The enthusiast books don't go that far but *Car & Driver* admitted earlier this year that the MR2 "has never wanted for compliments," and *Road & Track* called it "an ideal runabout and a super-economical but noisy cruiser." And this fall, the MR2 reportedly will roar with a new supercharged, higher performance engine.

The MR2, with its base price of $12,848, is different from most other sports cars because it goes after women as well as men. Its buyers make "a little less income but still want the image of a little sporty car," says Olson. Above all, it is a "fun car." The drivers are split down the middle, 50-50 men-to-women, with a median age of 30 and income of $46,000. Almost half are married, and 83% attended or graduated college, while 59% could be la-

TOYOTA
MR2 THE ONE FOR FUN
WHO COULD ASK FOR ANYTHING MORE
TOYOTA

Toyota MR2 loves to call itself the "fun car."

beled "professionals."

Although Olson says its best advertising comes from the praise of enthusiast magazine writers, the car does pay for some advertising in *Playboy*, *Cosmopolitan*, *Tennis* and *Rolling Stone*. A tv commercial has been running during sports events.

Olson notes that ads in enthusiast books for both Supra and MR2 are technically oriented, while magazines such as *Rolling Stone* review the cars' basic performance data.

Olson wouldn't comment on ad expenditures for either the Supra or the MR2, but LNA says Toyota spent about $5 million on MR2's tv and magazine advertising.

Bravissimo
THE
OF AMERICA TODAY'S CHEVROLET

Corvette sells because of "image and word-of-mouth."

LUXURY SPORTS CARS

Corvette

The next time you're watching a tv detective show, check out the hero's crime-fighting machine. And don't bother looking at the villain's. He won't be cruising in a Corvette.

"The shows ask permission to use them. If a program is suitable, we let them borrow the car. We don't want a drug smuggler in the car," explains Tom Mason, marketing manager for passenger cars.

Corvette has undergone modifications since its birth in 1953, but it has always remained a two-seat, high-performance sports car. The current design was introduced in 1984, and the latest changes were the addition of anti-skid braking, a Bose radio system and a clamshell hood that opens from the front, to name a few. Although it sells from $25,000 to $32,000, it competes with cars such as Porsche and Ferrari that may be double the price.

The car has been what one might call a symbol of maleness. The current breed of male purchasers — 89% of Corvettes are bought by men — ranges from age 34 to 46 with a median age of 38. About 73% have annual household incomes of more than $45,000 a year. In most cases, says Mason, the owner is single, and the Corvette is his only car. (Check and see what's parked in your doctor's driveway.)

Corvette had a tv campaign in 1985, but since then has been concentrating on print, especially the buff magazines that appeal to upscale professionals, Mason says. Occasionally, ads may be seen in non-automotive magazines such as *Esquire*. "Corvette sells because of image and word of mouth," Mason observes. "We feel that the scatter of network or cable is not effective for reaching our target market." Even Corvette's print campaign by Campbell-Ewald was limited for the 1987 model year because "demand was so high for the product." Mason says the ad budget, which he wouldn't reveal, will probably be higher this fall because of inflationary factors.

LNA says Corvette had about $6

"Listen, Mac, it's like this every day in Orange County when the stock market's closing prices are announced."

Over 29% of Orange County residents own stock and the county has California's highest percentage of mutual stock ownership (Source: New York Stock Exchange).

THE ORANGE COUNTY
Register
METROGROUP

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million in ad expenditures in 1986 split between tv and magazine ads.

Mercedes-Benz 560 SL

Car seats have evolved from sticky vinyl to plushy velour. If you're still not comfortable, the Mercedes-Benz 560 SL has heated its leather seats, which incidentally are the only option at $465 extra, small change for a nearly $60,000 car.

Mercedes-Benz has had a luxury sports car in its lineup for decades. The 560 SL debuted in the fall of 1985.

Hans Jordan, vice president, marketing, says, "It does not make overall sense to advertise this car . . . it has a very broad level of recognition without advertising. Anyone who is a prospect for this automobile knows the car."

Those who do know the car comprise a small audience, because the car "is not for everybody," says Jordan, stating the obvious. The average age of an SL driver is 45, with an average income of $150,000; 29% of its drivers are females; and 65% of SL drivers are university graduates.

McCaffrey & McCall handles the advertising, which is mostly found in newspapers in 20 markets. Papers include the *New York Times* and the *Wall Street Journal*, the *Philadelphia Inquirer* and the *Boston Globe*. Magazines aren't currently used, and radio isn't for specific models but is bought to describe the ownership experience for the entire Mercedes-Benz line. A 30-second tv commercial appeared on network and spot tv last year during the late news, the NFL football schedule and some prime-time shows.

Jordan wouldn't comment on the budget, but LNA says that in 1986, Mercedes-Benz spent almost $2 million on all of its 560 cars. Most of the ad expenditures were in network tv.

Porsche 911

This car was so underadvertised until recently that some people thought Porsche discontinued it.

Because of the confusion, last May, the 911 began running in three-page inserts in enthusiast magazines, upscale business magazines and the newsweeklies' that target the wealthy. The *New Yorker* and *Travel & Leisure* are also used. In the past, the 911 had been used in ads to position other Porsches.

In addition, Porsche is currently hustling a direct-mail campaign using a three-page insert designed by Chiat/Day. About 100,000 homes with household income of $70,000-plus are being targeted. The audience is being invited to their local dealers for test drives. And this fall, tv ads are planned for top metropolitan areas during the evening news, *60 Minutes*, the U.S. Open tennis championship and prime-time shows.

Not stopping there, Porsche also recently invited 15 to 20 "successful women" to come to California's Napa Valley and experience the 911 and other Porsche models. "We wanted to break down the perception that it is a tough car to drive," explains Gerhard Blendstrup, vice president, marketing, who also wanted to kill the macho myth. "It is designed to be easy and fun to drive." The target audience has been 85% male and mostly lawyers, doctors and small business owners — not many corporate types — with an

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age range of 35 to 42 and an income of $70,000. Women's books haven't carried advertisements because Porsche felt that women buy the car for the same reasons men do, and successful women read similar publications such as *Business Week* and *Forbes* as well, though not the enthusiast magazines, says Blendstrup.

The 911 was rolled out of Frankfurt 24 years ago, and it hasn't changed much of its interior or exterior design. ''It is a dream car,'' sighs Blendstrup, adding that high-school students dreamt about buying it, hence the average age group of 35-to-42-year-olds who purchase the 911. The lower-selling coupe starts at $41,440 while the 911 turbo goes for $63,295.

Blendstrup says the ad budget had obviously been very low compared to now, although he wouldn't elaborate on dollars being spent. ''In the past, we could live without advertising the 911,'' says Blendstrup, who says sales are ''doing quite well.''

Jaguar XJ-S

Jaguar refers to its XJ-S as a ''grand touring car'' rather than a sports car. ''Detroit has blurred these definitions by calling almost anything a sports car,'' growls Allen Taylor, advertising manager.

The XJ-S hit the market in 1975, about the same time the ''true sports car,'' the E-type of Jaguar, left the market. Not only was the definition of a sports car blurry, but so was that of a grand touring car. Bob Burden, vice president, marketing services, says the Pontiac GTO had already been billed as a grand touring car, thus the ''domestic car advertising had blurred it.''

Jaguar XJ-S is called a "grand touring car."

The XJ-S initially was presented to the public and allowed to find its own position. ''But now we are confident that people understand what grand touring is all about,'' says Burden, who explains that a grand touring car has ''long legs and is quiet and comfortable so it absorbs the bumps.''

The median age of an XJ-S driver is in the high 40's and trending upward. The drivers are 64% male and 36% female, a percentage that has remained fairly constant since 1982. Annual household income is in excess of $150,000 for the cars that range from about $50,000 to a high of about $60,000 for those who want to convert their coupe into a convertible. A new model with minor mechanical but significant body changes is expected for the first half of 1988.

Geer DuBois handles the advertising, which is currently 100% print. Newsweeklies are used but only those that are distributed to executives, the affluent and/or upscale. Other magazines used are *Architectural Digest*, *Gourmet* and boating and horsebreeding books. A co-op program for ads in the *Wall Street Journal*, for example, allows Jaguar to run dealer lists representative of geographic regions.

LNA reports that in 1986 about $2.5 million was spent on advertising, most of which was in magazines. Taylor said the figure is a little high and probably includes some co-op advertising.

BMW 635 CSI

The BMW 635 CSI, which debuted in 1977, made the top five selling units on J.D. Power's list in 1986, a seemingly nice way to end its career. Now the 6 series is being represented by the L6, the luxury model, and the M6, the high performance model.

BMW buyers had better hurry: The CSI sold for only $46,965 base price while the L6 goes for $49,500 and the M6 lists for $56,000. Needless to say, the heavily male target audience makes more than $100,000 a year. George Hartley, manager, marketing communications, describes buyers as ''entrepreneurial people. (The BMW) appeals to a lot of self-made people because of its symbol. It visually is a striking car that makes a strong statement.''

Ads are in very upscale lifestyle magazines such as *Connoisseur* and *Art & Antiques*. In the past, some tv ads were used on ''very selected programing,'' but now other BMW models are advertised on television. The 6 series doesn't appear in newspapers either. ''We're looking for a particular environment. In particular, the reproduction quality and environment of a newspaper aren't consistent with the image we're trying to project with the car,'' says Hartley, who said lower-priced BMW's may be seen in newspaper ads.

He also said the ad budget has increased for the other models but not the low-product volume 6 series. New creative is currently being developed by Ammirati & Puris for the L6 and M6. The ads will break Sept. 1.

Hartley says LNA's estimate of $1.9 million in ad expenditures last year is ''about right.'' ■

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Bangor Daily News
The Maine Choice

Source: Belden Associates, Dallas, Texas, Oct.-Nov. 1984.

ECONOMIC EYE

OUR TV TANGLE

In the process of updating procedures for collecting and reporting network and spot tv cost data, the prime-time and daytime reporting lines on the chart were inadvertently transposed.

This month, the chart has been revised to correct this oversight. Please make a note of the revisions.

MAGAZINE AD SCORECARD	Ad Pages June 1987	% change from June 1986	Dollars spent (000)	% change from June 1986
1. Skin Care, Creams, Lotions and Oils	112.86	+9.9%	$ 4,174.6	+62.8%
2. Lip and Eye Beauty Products	80.66	+103.9	2,694.0	+57.1
3. Scents and Fragrances	111.8	+48.1	3,778.7	+60.0
4. Facial Makeup Products	42.33	−32.4	1,475.2	−40.6
5. Prepared Dinners and Entrees (including Pizza)	26.76	+42.5	1,880.0	+107.4
6. Liquor	39.44	−17.0	1,722.0	−11.6
7. Cigarettes	568.51	−6.5	2,967.4	−13.0
8. Soaps and Detergents	54.01	−21.6	3,275.6	−24.6
9. Passenger Cars, Domestic	418.35	+2.1	1,872.7	−9.5
10. Passenger Cars, Imported	529.30	+25.6	2,580.1	+30.4

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100	1986								1987							
	Sept.	% change	Oct.	% change	Nov.	% change	Dec.	% change	Jan.	% change	Feb.	% change	Mar.	% change	Apr.	% change
Network TV*																
Daytime	102	+2	103	+3	98	−2	85	−15	92	−9	86	−9	88	−8	92	−6
Nighttime	107	+7	104	+4	107	+7	109	+9	106	+0	105	+8	112	+7	99	+8
Spot TV*																
Prime time	105	+5	119	+19	115	+15	116	+16	129	+7	133	+11	131	+13	–	–
Daytime	99	−1	109	+9	111	+11	105	+5	130	+5	108	−0	108	−0	–	–
Network radio	104	+4	115	+15	106	+6	101	+1	139	+14	130	+12	126	+11	116	+4
Spot radio		→	←		103	+3		→	←		101	+1		→	–	–
Consumer magazines	106	+6	106	+6	106	+6	107	+7	109	+4	109	+3	110	+4	109	+3
Natl. Sunday mags	105	+5	94	−6	94	−6	94	−6	103	+11	103	+11	103	+11	103	+11
Business publications	106	+6	106	+6	107	+7	107	+7	111	+5	111	+5	111	+5	111	+5
Newspapers	108	+8	108	+8	109	+9	109	+9	116	+8	116	+8	116	+8	116	+8
Outdoor	111	+11	106	+6	106	+6	106	+6	111	+6	111	+6	111	+6	114	+6

Notes: Percentage shown is relative change from the same month/period the year before.

1985 = 100 *1987 Columns for daytime and nighttime elements were transposed in previous issues. Please update files.

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

POINT/COUNTERPOINT/

TARGET: THE RATE CARD

SET THE FOX FREE

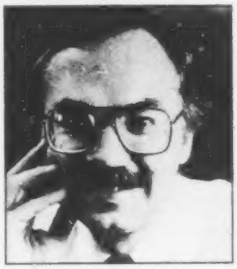
Magazine negotiation will help the publishing industry by allowing free-market forces to determine the value of space in a particular magazine. Good magazines will flourish and bad magazines will perish — as they should when the market is the sole arbiter of success or failure.

At the same time, agencies will have to revise the way print planning is conducted as well as negotiated in order to provide optimal client benefit. The end result will dictate increased agency profit margin pressure since more time and expertise will be needed to handle print negotiation. Translation: more media people and a premium paid for negotiation expertise.

Advertising agencies have paid different prices for commercial units in the same tv show on the same air date for years. Why should magazines be different? Historically, the higher rated shows, such as *The Cosby Show*, *Family Ties*, or those that have programing/editorial cachet such as *Moonlighting* and *Cheers*, have commanded premiums over the daypart norm.

This will hold true within the magazine industry as well. An advertiser will be willing to pay rate card to place his upscale fragrance advertising in *Elle*, but may be less willing to run a page at rate card in *McCall's*. However, at a certain price, the *McCall's* page becomes more palatable and at some point in negotiation makes the schedule. What better for *McCall's* or any other title than an opportunity to generate additional revenues at less than rate card (but still firmly in the black)? How do you think the networks have been able to get advertisers in poor or marginal shows for all these years? Make the price attractive enough given the product you're selling and you've got a sale.

It should be apparent that those magazines that have little competitive differentiation in the way of circulation, demographics or editorial ambiance are the ones that better be prepared to negotiate. Once the market forces are allowed to operate fully, the magazines that are pro-active such as *McCall's* will reap the rewards of incremental revenues while those that refuse to play the negotiation marketplace will ultimately lose enough revenues to perish. The strong print vehicles and those with better sales staffs will get stronger and be able to invest in a better product for the consumer and ultimately the advertiser's benefit. The market will dictate failure and the industry will consolidate from its current, severely over-fragmented state.



Ultimately, the fallout will be an industry with fewer but stronger magazines available to advertisers. They will provide advertisers with strengthened editorial environment and will be priced competitively with other media and in relation to the overall economy. What could be better?

Bob Zach is vice president and media director of Chiat/Day Inc. in the New York office.

OUR READERS TELL US . . .

Research USA, Chicago, found our agency and advertiser readers are equally divided on the appeal of negotiated rates in magazines.

AGENCIES:
(Base: 84)

1. Will *McCall's* open rate card, the first to put magazine ad rate negotiation on the table, create more client pressure to do deals?

Yes	80.9%
No	17.9%
No answer/don't know	1.2%

2. Will it cause planning to put too much emphasis on prices?

Yes	53.6%
No	45.2%
No answer/don't know	1.2%

3. Do you think other magazines will eventually follow *McCall's* lead?

Yes	85.7%
No	11.9%
No answer/don't know	2.4%

4. Do you want more magazines to adopt a negotiated rate structure?

Yes	51.2%
No	48.8%

ADVERTISERS:
(Base: 54, except where indicated)

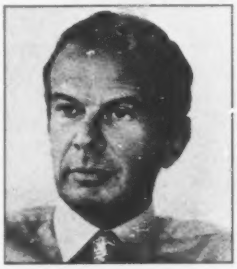
1. *McCall's* magazine has recently changed to an open rate card for advertisers, meaning all future ad rates are open to negotiation. Does this make magazine advertising more attractive to you?

Yes	48.1%
No	50.0%
No answer	1.9%

2. Should multi-brand advertisers consolidate their brands when appropriate

GUARD THE GOLDEN GOOSE

On May 29, 1987, *McCall's* announced that it was going to openly negotiate its rates. Given the realities of the marketplace as established by the Seven Sisters, *McCall's* did not have a choice. The category had unfortunately gone too far to revert to a fixed rate card position.



After the announcement, the industry's responses included, "It's about time someone has come out of the closet," and, "Negotiated rates by the women's service field is one of the worst kept secrets in our business." The blatant hypocrisy of a public position of no rate negotiations while sales staffs were on the street cutting rates was not in the best interests of the advertising industry.

The question now is where negotiated rates will spread in other, less competitive magazine categories, and how fast. I hope it is limited in scope. Negotiated rates would tend to lower profit margins to a point where magazine quality would suffer. This would impact on the quality of audiences. We will have instituted a never-ending downward spiral in the medium.

There *are* a number of changes that could benefit the magazine medium: circulation rate bases that are not inflated with peripheral sweepstakes subscribers; an offering that is enhanced by added values such as significant promotional opportunities; a rate card that is flexible in terms of marketplace needs, but with every rate available to any advertiser.

But rate negotiations similar to those that have been the practice for tv and radio could, over the long term, seriously impair the magazine's role as one of our leading advertising vehicles. If profit margins decline or become miniscule or non-existent, the quality of the medium will be downgraded in order to increase those margins. It will be reflected in the level of writing, photography, graphics and stock. There is a real possibility that we will have seriously wounded the goose that lays the golden egg.

How far it spreads will depend on the resolve of the leading publishers of selective magazines, such as Time Inc. and Conde Nast, to resist the pressure to deal, as well as the understanding of advertisers and agencies who recognize that it is in their long-term best interests to have a healthy goose and many golden eggs.

Selective magazines are *not* a commodity item. They command a significant premium in terms of cost efficiency when compared to mass publications. Agencies and advertisers accept this premium in return for a quality product that attracts and involves a select audience.

If the quality disappears, then the audience will deteriorate and we will have seriously impaired the advertising effectiveness of a key segment of the magazine medium.

Michael Ephron is executive vice president, media director, of Scali, McCabe, Sloves in New York.

to maximize their clout at the negotiating table?

Yes	90.7%
No	7.4%
Don't know/no answer	1.9%

If "Yes," how should this be accomplished? (Base: 49)

Form negotiating team from various agencies	24.4%
Consolidate accounts at one agency	18.4%
Appoint a corporate negotiator to set rates, then coordinate agency activities	51.0%
Other	10.2%

3. Do you feel agency media planners are qualified to deal with open rates for magazines?

Yes	53.7%
No	46.3%

If "No," what do they need to become qualified? (Base: 25)

More training	32.0%
More supervision	—
Senior-level negotiating team to do the work for them	84.0%
Other	4.0%

4. Rather than an open rate card, should publishers just offer other incentives to advertisers?

Yes	51.8%
No	42.6%
No answer/don't know	5.6%

If "Yes," which do you find most attractive? (Base: 28; multiple answers allowed)

Rate protection	35.7%
CPM protection	28.6%
Merchandising services such as mailings, in-store promotions, trade events or contests	28.6%
Multi-magazine discount packages	46.4%
Lower qualification levels for packages	17.9%

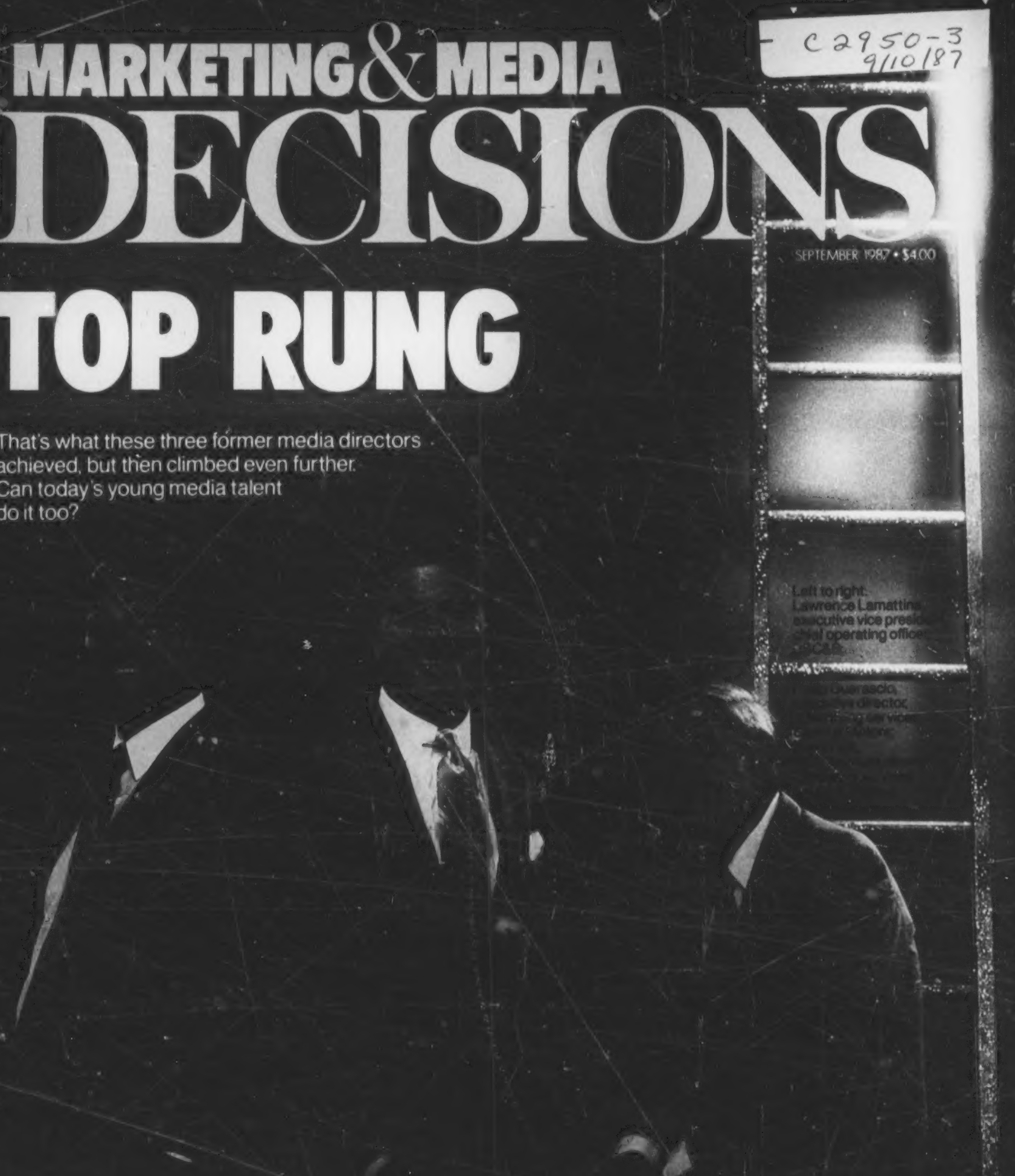
C 2950-3
9/10/87

MARKETING & MEDIA
DECISIONS

SEPTEMBER 1987 • $4.00

TOP RUNG

That's what these three former media directors achieved, but then climbed even further. Can today's young media talent do it too?



Left to right:
Lawrence Lamattina,
executive vice presid
chief operating office
[illegible]C&B;

[illegible] Guarascio,
[illegible] director,
[illegible] services
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MARKETING & MEDIA
DECISIONS

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NEW CHALLENGES, NEW CHOICES 30

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Selling magazines in edit-specific specialty stores promises new and powerful merchandising possibilities — if the retailers will cooperate.

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September 1987, Vol. 22, No. 9

Cover photograph by Steven Begleiter

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PARLOPHONE
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the
beatles

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Lessened competition among the mega-reps has not had a negative effect on their customers — yet.

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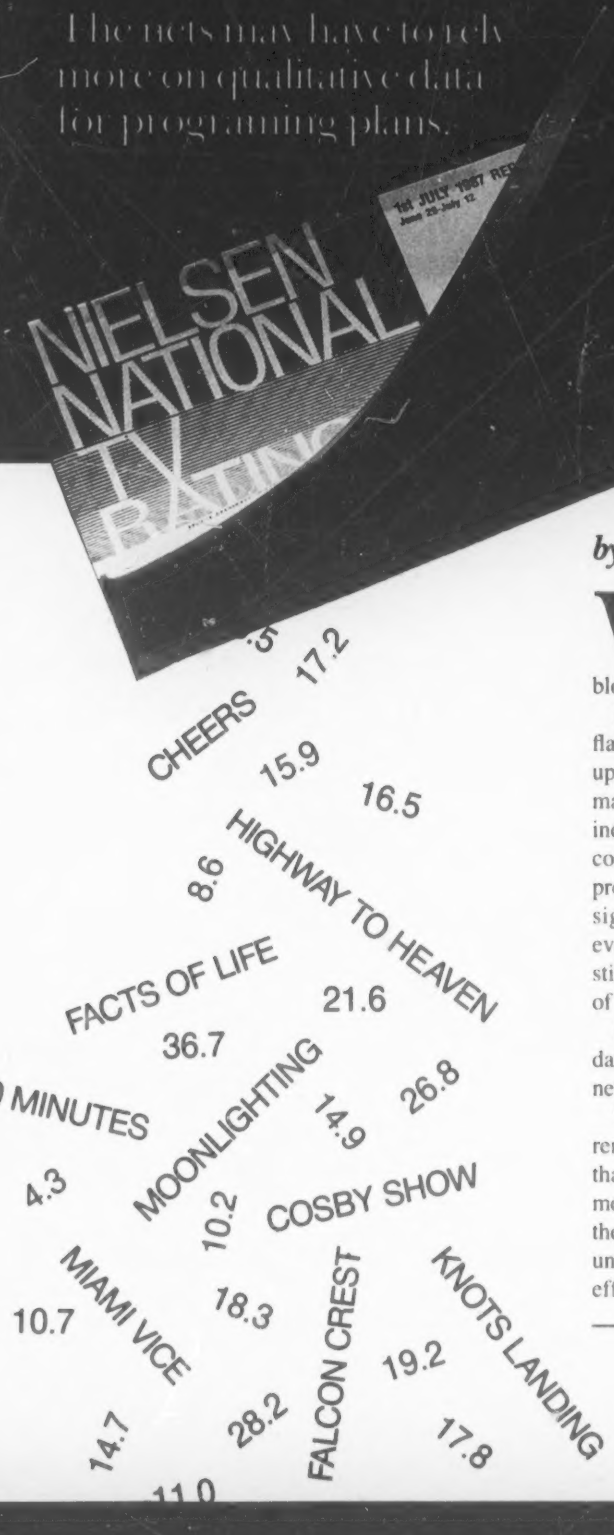
THE ALL NEW RATINGS GAME

The nets may have to rely more on qualitative data for programing plans.


1st JULY 1987 REP
June 29-July 12
NIELSEN NATIONAL TV RATINGS
17.2
CHEERS
15.9
16.5
8.6
HIGHWAY TO HEAVEN
FACTS OF LIFE
21.6
36.7
60 MINUTES
MOONLIGHTING
26.8
14.9
4.3
10.2
COSBY SHOW
MIAMI VICE
18.3
FALCON CREST
KNOTS LANDING
10.7
19.2
14.7
28.2
17.8
11.0

JOHN STUART

by Joe Mandese

When push came to shove, the instability of Nielsen's people-meter test data did little to abate the buying frenzy that resulted in healthy double-digit increases for upfront time.

More conservative opinions say the issue of media inflation was obscured by other factors that may not hold up in scatter negotiations and that the overall network market may not prove as robust as the upfront activity indicated. For one thing, upfront buyers did not have to contend with two national ratings services, presumably producing two sets of ratings data. Although, there were significant disparities between Nielsen's people-meter evaluation data and its official NTI ratings, Nielsen was still the only standard, and buyers had a pretty good idea of the upfront starting line.

But this month the industry enters an era of two standards — Nielsen's and AGB's — and for the first time in network-tv history, the ratings are no longer gospel.

To what extent people meters factor into scatter deals remains to be seen. Fourth-quarter demand proved stronger than concern over ratings methodology. And of more immediate concern to the networks is how they will make their programing decisions as they enter a new tv season under a two-fisted approach to audience research. One side effect appears to be a heightened network sensitivity to

STEVE BEGLEITER

People meters: ad sales, yes, programing, maybe, says Mord.

viewer feedback when plotting their programing. Like scenes out of Paddy Chayavsky's *Network*, tv viewers all over the country are saying, "We're not going to take it anymore." And surprisingly, the networks are listening. Sometimes.

Earlier this year, for instance, CBS bowed to the appeals of about 5,000 viewers who wrote the network asking that its *Designing Women* series be taken off hiatus and put back on the air. Today, it is one of the top-rated prime-time shows.

Of course, such letter-writing campaigns are not always so directly effective. The largest, in fact, did nothing to convince ABC to reschedule *Our World*, but the attention raised by the campaign has encouraged New York public-tv station WNET to resurrect the series.

Dorothy Swanson, whose Fairfax, Va.-based Viewers for Quality Television (VQT) orchestrated the campaigns, says she's not sure how many letters ABC received (the network does not disclose those figures), but she estimates as high as 30,000.

Although network researchers deny that this flurry of tv-consumer activism represents a democratization of the network tv-ratings business, they say they are prone these days to listen a little more closely to such appeals.

"In this business, you have to listen to a lot of things," explains NBC vice president of audience research, George Hooper. "Letters are an influence, but they're not pure research."

According to ABC vice president of marketing and research services Marvin Mord, the networks discount the influence of letters, because they generally skew toward favorable responses. "If you don't like a show or if you don't care about it, it's unlikely that you're going to bother to sit down and write a letter," explains Mord.

Still, concern over the instability of the new ratings data is causing the networks to shift some of their focus from quantitative to qualitative measures.

In addition to viewer mail, the networks employ a variety of "proprietary" research techniques to gauge the attitudes of tv viewers toward their programing. "It helps us make judgments on whether a program is growing or declining in appeal," says Mord.

Although the ratings still are the primary research influencing the fate of a show, Mord concedes that the proprietary research is playing a more significant role as the networks look for ways to hedge their bets.

"I think it is perhaps dangerous to make judgments based on a set of data that is not consistent over a period of time," he explains, referring to the swings caused by instability in the people-meter ratings sample.

The three networks' qualitative-research techniques include "diagnostic" research such as focus-group studies and targeted pilot screenings via cable tv. But the networks also utilize weekly telephone surveys to gauge the changing viewer response toward their programing.

The resulting data has been used suc-

SAMPLE CHARACTERISTICS
PEOPLE METER vs. NTI vs. UNIVERSE MARCH 1987

AGE OF HOH	PEOPLE METER	NTI	UNIVERSE
Under 35	28.9	24.7	29.1
35 - 54	36.9	35.2	35.8
55 +	34.3	40.1	35.1
HOUSEHOLD SIZE			
1	17.4	20.6	23.2
2	34.8	35.5	31.6
3	19.2	16.9	18.4
4	16.2	15.3	15.8
5 +	12.5	11.6	11.0
EDUCATION OF HOH			
0 - 8 Years Grade School	6.7	8.6	13.3
1 - 3 High School	10.1	10.6	12.3
4 High School	34.6	34.4	35.6
1 - 3 College	21.6	23.3	17.7
4 + College	27.1	23.1	21.1
COUNTY SIZE			
A	41.3	40.8	41.5
B	29.2	28.9	30.1
C	15.7	15.2	15.1
D	13.7	15.1	13.3

Source: Bozell, Jacobs, Kenyon & Eckhardt

NIELSEN
NATIONAL
TV

cessfully in the past by the networks to market low-rated shows with the potential to build a loyal following. Indeed, the successes of NBC's *Cheers* and *Hill Street Blues* were due largely to heeding such data.

While such research can be useful for advertisers looking to underwrite a sleeper, J. Walter Thompson executive vice president and U.S. director of media services Richard Kostyra cautions that advertisers should avoid paying a premium to do so.

"The numbers are intended to give us a direction and guidance, but I think where an advertiser can go wrong is if they start paying premiums for this type of data," he explains. "It can be helpful in pointing out which shows have the greatest appeal, but you have to be careful not to sacrifice total audience for this approach."

Still, CBS recently went a step further in its attempt solicit grass-roots opinion of its programing. While the networks typically give their surplus pilot episodes trial airings during the summer months, CBS decided to showcase them under the banner *CBS Summer Playhouse* and gave viewers a chance to cast their votes via "900" telephone numbers.

LARRY BARNS

Y&R's Joseph thinks agencies' trend-spotting may suffer.

"We never imagined that we would get more than 100,000 calls for one of these things," says CBS vice president of communications and information, George Schweitzer, adding that while the phone survey has a "marginal" influence on the fate of the shows, CBS acknowledges that it's not very scientific. "We know that people who are not interested in the show aren't going to spend 50 cents to have their voice heard. So we know it's somewhat skewed toward favorable responses," explains Schweitzer.

While such research is not intended to replace the traditional ratings data, the networks appear less confident about depending on ratings alone.

Most troublesome are the dramatic swings in the people-meter evaluation data. Initially, those swings were caused by the small size of the early people-meter sample, but even as the sample increases, the households being added to the sample have caused fluctuations in the data.

Nielsen's sample, which currently is at 2,000 households, will grow in groups of 500 until it reaches its goal of 4,000 households by September of 1988. While the data should have more stability then, researchers still would like to see about a year's worth of ratings at a stable sample size before they are comfortable with the data.

But Steve Sternberg, media-research supervisor of Bozell, Jacobs, Kenyon & Eckhardt, suggests it may be that people meters actually are recording real fluctuations in tv viewing that previously were not detected by the diary methodology.

A CONVERSATION WITH A NIELSEN FAMILY

Kymberly M. recently completed one of about 4,000 Nielsen diaries that were mailed out to measure tv viewing in the New York DMA in July. The following are her reactions to being a "Nielsen Family."

Q: How does it feel to know you are one of only a few thousand people that are affecting tv-programing decisions for the rest of the country?

A: I was very excited about it at first, because I have a lot of opinions about what I watch and I was happy that I could express them. But I didn't feel like the diary was really expressing my opinions. I felt like they really just catalog what I watch and don't take into account what my opinions are. There was a little space for comments, but I didn't feel like that would be anything they would listen to. I think that the stations just decide what people want to watch.

Q: Do you feel as though the diary altered the way you watch tv?

A: Yes, I don't watch it as much. I really forced myself to watch tv. I felt as if it were an imposition, but I wanted to list my favorite shows, so I had to watch them, even though they were all reruns.

Q: Did you want to influence the way tv is programed?

A: Definitely.

Q: How soon after viewing a show did you mark it down in the diary?

A: I tried to do it right away. Otherwise I wouldn't remember.

Q: Did you mark down anything that you didn't actually view?

A: Yes, but they were shows that I normally watch. Like *Pee Wee Herman*. I couldn't quite get up that Saturday morning, but I normally do watch it. I didn't fill out anything that I normally wouldn't watch every week.

Q: Is there anything that you did watch that you were embarrassed to put in the diary?

A: No.

Q: How do you feel about Nielsen replacing the diary with a meter that allows you to push buttons to record your viewing instead of filling out a diary?

A: I think it's probably the exact same thing. I think it's probably just as much of a pain to push buttons as it is to write down what you saw. ■

NIELSEN NATIONAL

"We believe that viewing patterns have changed over the past several years, along with lifestyles. People may no longer be watching with the same degree of loyalty as in the past. The competitive television environment has changed," writes Sternberg in a report to BJK&E's management. "Diaries, with their inherent bias toward higher-rated network programs, were incapable of reflecting this change."

Meanwhile, the networks have expressed concern not only with the size of Nielsen's ratings sample but with its composition. CBS, whose programing generally skews to older, more rural viewers, has been most vocal in this, pointing out that Nielsen's current sample favors homes that are younger and more urban than its old NTI sample.

"The truth is, however, that the people-meter sample merely corrects the bias of the old sample," notes BJK&E's Sternberg. "On an age-and-geographic basis, the people-meter sample more closely reflects the actual population. We don't recall CBS complaining when they benefitted for years from the old sample's imbalance."

The only valid network complaint about sample composition, according to Sternberg, is that there are too many college-educated and pay-cable homes in the sample (See chart, page 40).

From NBC's point of view, the "most troubling finding," according to vice president/research Bill Rubens, is the fact that people-meter button-pushing causes "fatigue" over time that generates a high drop-out rate among the heaviest tv viewers. For that reason, NBC successfully persuaded Nielsen to shorten its sample turnover rate from five years to two years — a move AGB is resisting.

While the more rapid turnover rate should correct some of the measurement problems associated with people meters, Young & Rubicam senior vice president/director of communication information services Pearl Joseph says it will make network planning decisions more difficult for agencies by reducing their ability to project data.

"Maybe trends aren't going to be as easy to get," says Joseph. "So what does that mean for a business that's made on trends?"

Moreover, the industry this month will have to grapple with different ratings from AGB and Nielsen in attaching value to network fare. "There will be differences," concedes AGB vice president/sales and marketing Barry Kaplan. "Just sampling error alone will cause differences."

There will be differences between the services, admits AGB's Kaplan.

But sampling error aside, researchers say they will focus on what the research companies do with their data once they get it.

"Editing rules are something we're going to focus on," explains Tim Duncan, executive director of the Advertiser Syndicated Television Association (ASTA). "It looks as though the two services will have different ways of treating people who don't push their buttons."

According to Duncan, households that don't push buttons will be dropped completely from AGB's in-tab sample. Nielsen, however, plans to include such households in its household viewing estimates, but not as part of its persons-viewing estimates.

"You can make a case for doing it either way," says Nielsen vice president/director of production, planning and development John Dimling, "but if household ratings are important, you shouldn't throw away households just because people aren't pushing buttons."

Although it's unlikely that the No. 1 Nielsen-rated *Cosby Show* will suddenly slip to No. 10 in the AGB ratings, the debate over any difference in the ratings raises concern among network researchers. Most researchers, though, consider the people-meter data to be more accurate than Nielsen's old system.

ASTA's Duncan notes that a casual perusal of weekend shows in a Nielsen pocketpiece — "especially in a summer book" — will uncover lots of footnotes and that "each one of those footnotes may represent a relative error of 50% or more. That's huge when each of those numbers translates into a dollar in somebody else's pocket."

In any case, SSC&B vice president and director of media research Larry Roslow says people meters may already have proven their superiority over the old ratings system, at least on the business side. "I think the fact that we and the networks were able to do upfront negotiations over a lower set of numbers indicates how credible the numbers were," he explains. "The networks fought a rearguard battle, but they did business on people meters and we got guarantees."

But if the ratings data really is better, that does little to explain why the networks are relying more heavily on their qualitative research. Indeed, any debate over the ability of the new research methodology to actually gauge the preferences and behavior of viewers may all be for naught.

According to George Gerbner, dean of the Annenberg School of Communications in Philadelphia, the networks have little need to concern themselves with the reality of their audience's viewing habits.

"The consumer has no effect at the box office," explains Gerbner. "The viewer watches no matter what's on. In many countries you can put on a test pattern, and people will still watch. The main attraction of who will watch is not the program but the time of day, the day of the week and the week in the season. Networks don't need to reach their viewership. The networks need the ratings, because they get their money from ratings and not from viewers." ■

TAKE TWO

The real excitement with the compact disc may lie not in the future, but in the past. So say many of the major record labels as they use the high-tech toy to rejuvenate their catalogs.

by Marianne Meyer

When we last left the compact disc, (*Marketing & Media Decisions*, March 1985, pg. 60), the then two-year-old format was being touted as the future of the music industry. For the record industry, that future is in sight. Like the Beatles' song says, the elements have now "Come Together," and music marketers have discovered a bonanza in the new format.

Recent figures from the Recording Industry Association of America (RIAA) show CDs on the verge of surpassing LPs/EPs in dollar volume (see chart page 52), though cassettes remain the dollar champions. In fact, *Billboard* magazine reports that a second joint market-research project by RIAA and the National Association of Recording Merchandisers (NARM) for 1986 shows CDs surpassing LPs, with CDs posting a 19% dollar volume share as opposed to LPs' 18%.

Some retail chains, such as the 540-store Musicland group, report their CD *unit* volume beating vinyl too. And this year promises more of the same: 96% of the NARM members surveyed by the RIAA said they expected an increase in CD sales this year. Considering that CD hardware has a much lower penetration level than predicted two years ago (about 7% of American homes), the software sales figures are even more impressive.

This would seem to leave the record labels sitting pretty, but the real picture is a little more complicated. CDs are a fairly costly item — the average disc carries a price tag of about $15.98, twice that of an LP or cassette. That means that to really become the new standard, CDs are going to have to appeal beyond the upscale audiophiles and classical-music buffs who initially helped launch the format.

For some, winning the hearts and wallets of the baby-boomers — those most likely to have enough discretionary income to buy CD players and twice-the-price music — involves a single, simple idea: Sell them new versions of music they know, love and perhaps even already own.

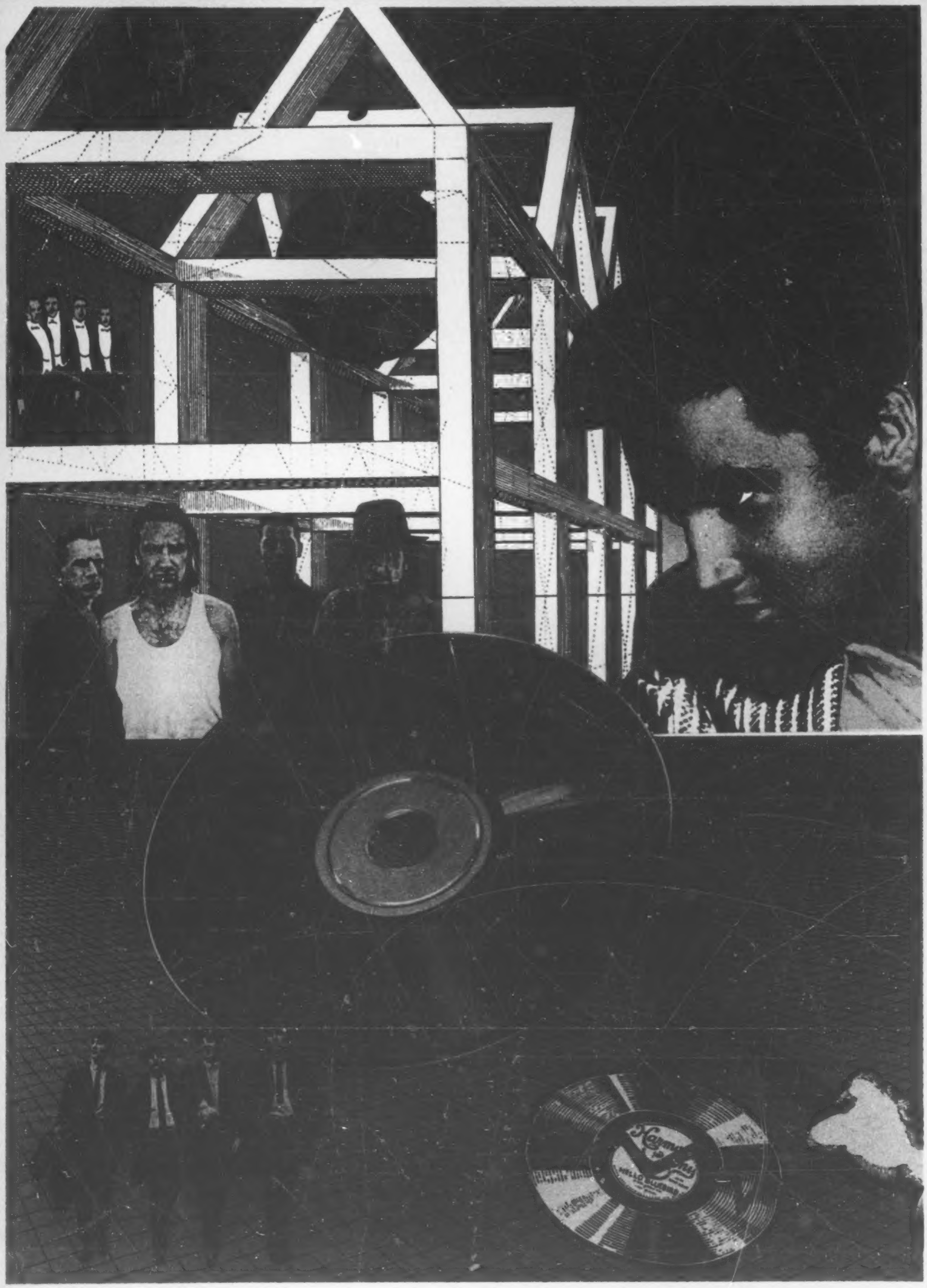
Record companies have found that catalog material that has been on the shelves in recent years can be re-released in the CD format for impressive new revenues. Twenty years ago, according to *Billboard*, the music industry trade weekly, the following artists held the top five positions on the retail-sales album charts: The Beatles, The Monkees, Jefferson Airplane, The Rolling Stones and The Doors. Within the past year, all five groups have had retrospective-compilation CDs and/or CD versions of their albums released by the major labels to smashing results.

Such success has set off an explosion of re-releases. Record companies are falling over each other to resurrect music from legendary stars, deceased artists and pop heroes, as well as performers who are on the comeback trail.

RCA, for example, is currently watching over a major Elvis Presley reissue series and a CD-only jazz series. "And we're looking through our catalog to come up with material on CD that hasn't been released before," says Michael Omansky, vice president of marketing for the label. The company has also established a compact-disc club to market directly to consumers.

There are all kinds of marketing methods being employed to lure buyers. Some of them range from strategically dribbling out the new CDs to pushing tons of material into the market all at one time. Direct mail, press exploitation and radio and magazine ads are some of the tactics being used

ILLUSTRATION BY MARC YANKUS


Harmony
HELLO BLUEBIRD

THE
BEATLES
COMPACT DISC

to strike responsive buying chords.

No one reaped better benefits on this score, recently, than Capitol Records, which controls the entire recorded output of the Beatles in the U.S. Ever since the CD format was introduced, the Beatles' catalog was considered the best mainstream possibility to convert the pop music audience to CD.

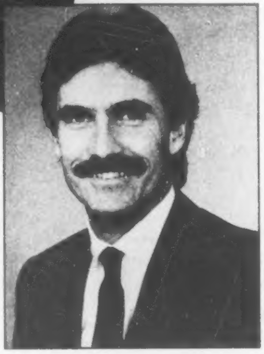
But Capitol wanted to make the most out of what it had and carefully constructed a marketing plan to do just that. According to Capitol Records vice president of marketing, Ron McCarrell, "We thought we could move a lot more Beatles CDs if we put together a sensible kind of plan to release them in stages or groups over a period of time." This method also ensured that Capitol could more accurately gauge demand and not run into out-of-stock situations.

Following a chronology that paralleled the release of the Beatles albums in their original U.K versions, Capitol Records in America and EMI in London announced a worldwide plan in which the first four — and only the first four — Beatles LPs would be available on CD in February 1987. Three more would appear in April. And then, when they realized that 1987 was the 20th anniversary of the *Sgt. Pepper's Lonely Hearts Club Band* album, "that sort of became the linchpin of our plan," tells McCarrell. "We locked it in on that date (June 1, 20 years to the day since the initial release), and we adjusted the release dates of the titles that came before and the titles that came after."

"As a fan, I hated them for doing it that way," says a marketing executive at another record label. "But as a businessman, I thought it was brilliant."

This note-by-note schedule nearly guaranteed that each new set of releases would attract fresh attention to the line, as well as encourage consumers to buy each new grouping in full as it appeared.

To make sure this strategy would pay off, Capitol conducted listening parties and produced extensive press kits; the media needed little encouragement to take the ball from there. Coverage in newspapers nationwide and on television (both news and music-video outlets), along with the competition of radio stations attempting to be the first on the air with Beatles songs on CD, created a media event.



"Get Back": Capitol's McCarrell helped set the marketing in motion that put the Beatles back on the charts.

"It's as much a matter of media exploitation as anything else" says McCarrell. "I'm of the prime age that remembers when each release of a Beatles or Rolling Stones LP was an event in your life that you really looked forward to. We're trying to recreate a little bit of that here."

How much free advertising came out of all this radio, print and tv attention? "I don't have enough batteries in my calculator to try to answer that," McCarrell laughs.

He might also have trouble keeping track of profits. At last count, the *Sgt. Pepper* CD was on the verge of platinum (one million unit sales), *Help*, *Rubber Soul* and *Revolver* were just shy of gold (a half-million units) and the other four in the pre-*Pepper* batch were closing in on gold as well.

This performance is nothing short of sensational considering that a gold or platinum LP for a contemporary band, still actively running up bills for studios, touring and entourages, is considered a financial victory. To have a series of gold and platinum albums from a band's catalog, then, is a positive windfall. *The Joshua Tree*, a current multi-platinum LP by rock favorites U2, is estimated to have sold just under a half-million CD units.

Capitol will attempt to mine precious metal again this fall. It plans the CD release of Frank Sinatra catalog material from the 1950s period many consider his creative peak. But here, as McCarrell admits, Capitol is dealing with an "older, more passive consumer," so the marketing will be different. The Sinatra CDs will, in many cases, include bonus tracks, and out-takes that did not fit on their vinyl counterparts.

The other major labels have not missed the nostalgia craze fueling the CD surge. Columbia and ABKCO Records, for instance, each released Rolling Stones albums in CD form. Though the discs have performed well, many industry observers think both companies could have done even better had inter-label competition not forced them to release all the Stones music at one time.

The press, traditionally considered much less important than radio in the promotion of records, is exerting more muscle when it comes to promoting CDs. The press can expose material, make a point of enumerating the qualitative differences of the CD release, encourage the consumer to spend the extra money by pointing out extra tracks, longer playing time, etc., or, conversely, warn of inferior quality.

But Steven Schecter, vice president and data-base director of Digital Radio Network (DRN), disagrees heartily. "Magazines and catalogs have long lead times," he points out. "People would have no way of knowing what's currently available." That's the *raison d'etre* behind the new DRN service, which seeks to link radio, the CD market, record companies and retailers into a marketing unit.

Founded earlier this year by Paul Zullo, a former vice president of DIR Broadcasting, the service offers local radio stations a market-exclusive toll-free number that listeners can call for the latest info on CD availability. Calls are handled by live operators who use the subscribing station's call letters and refer people to local retailers.

In return for the service, ''local stations give us a minute a day of ad time,'' says Schecter. DNR is negotiating to sell that minute to a national advertiser. Rollout of the network began in July and some 70 stations in markets such as New York, Boston and Chicago and Miami have signed on.

The service could get inquiries about what's available on CD from all kinds of music lovers, for CD has appeal far beyond its classical and pop base. In the jazz field, bonus tracks and unique reissues are making for good CD business. At Fantasy Records in San Francisco, a jazz label that's also one of the largest independent record labels in the country, president Ralph Kaffel sees jazz buyers as CD naturals. ''The jazz market consists, to a great extent, of collectors, and they're more oriented to the historical development of the music than, say, a rock-music fan.'' he finds. ''Because the CD medium has such clarity and definition, it's a very important medium for reissues.''

Rykodisc president Don Rose had his biggest hit to date with a Jimi Hendrix concert disc. Rykodisc is a CD-only label.

The majors, too, see jazz's potential. For September, RCA released 16 CD-only compilations gathered from its Bluebird label (featuring blues and big-band music of the '30s, '40s, and '50s). The collections, featuring artists like Duke Ellington, Glenn Miller and Artie Shaw, also include previously unissued songs and alternate takes. There are more releases in the series planned for later in the year.

When possible, record companies like to tie the release of re-issues to some external event that can help generate additional publicity. RCA released a series of four Elvis Presley ''Commemorative Issue'' compilations (in all three formats — LP, tape and CD) in August, tied to the tenth anniversary of his death. ''It's the first time we've issued Elvis on CD in any significant way,'' says RCA vice president/marketing Mike Omansky, and the results are positive. ''Right now the initial sales puts the CDs at close to 33% of total sales (unit volume). Obviously, it varies by act and market, but CD sales usually run about 25%, so Elvis is high.''

To support the Presley release, RCA ran a major consumer campaign throughout August, including advertising in the *National Enquirer* and the *National Star*, retailer merchandising, trade and radio ads. Promotional budget is ''very much in line with what we'd spend on a current star,'' says Omansky.

Not exactly hurting RCA's effort was the cable-music network VH-1's decision to make August a month-long tribute to Presley. (The network did the same thing in April for the Beatles when their CDs were released.) ''Any opportunity that VH-1 has to tie-in retail, the record community and our viewers is a priority that we're looking to do,'' says Jeff Rowe, vice president of programing for VH-1. The VH-1 Beatles promotion had included a grand-prize giveaway of a trip to London, as well as Beatles CD collections, Sony VCRs and copies of the Beatles' films on videocassette.

Another criteria for re-release can be

MANUFACTURERS' UNIT SHIPMENT (millions)
(net after returns)

	1982	'83	'84	'85	'86	% Chg. '85-'86
LP's/EP's	243.9	209.6	204.6	167.0	125.2	−25%
CD's	—	.8	5.8	22.6	53.0	+134%
Cassettes	182.3	236.8	332.0	339.1	344.5	+2%

MANUFACTURERS' DOLLAR VALUE ($ millions)
(at suggested list price)

	1982	'83	'84	'85	'86	% Chg. '85-'86
LP's/EP's	$1,925.1	$1,689.0	$1,548.8	$1,280.5	$ 983.0	−23%
CD's	—	17.2	103.3	389.5	930.1	+139%
Cassettes	1,384.5	1,810.9	2,383.9	2,411.5	2,499.5	+4%

Source: RIAA Market Research Committee the re-emergence of an artist into the public eye. For example, Jefferson Starship, a hot group in the late '60s under the Jefferson Airplane moniker, began to find an enthusiastic audience among teens last year. RCA realized a market opportunity was at hand — an act that could span several generations. "We thought 'Now is the time for a Jefferson Airplane anthology: a double CD with 10 bonus tracks. Again, over a third of the sales were CDs," reports Omansky.

Atlantic had the good sense, or good luck, to release Crosby, Stills and Nash's catalog on CD just as the trio hit the road for a summer concert tour. "They have no current product," says the label's Mark Schulman, vice president of creative marketing services. "But we're promoting the CD product based on their tour."

Other labels' catalogs were once the prime source of material for Rykodisc, whose label name is from the Japanese word for "sound from a beam of light." The label releases nothing *but* CDs, most of them licensed material from other company's catalogs. "It's getting increasingly difficult to try to get things from major labels," says (now former) marketing director Noah Herschman, as they realize the potential in their own libraries.

Earlier this year, Rykodisc scored a coup of sorts with the release of *Jimi Hendrix Live at Winterland*, a vintage 70-plus-minute concert performance by the seminal rock guitarist. The material was exclusive to the CD label and, having no record or tape equivalent, has become the biggest-selling CD-only release yet (over 50,000 units in two months). For this release, Herschman had to rethink his plans. "Usually," he says, "we have to target things very vertically. We have to advertise in magazines that have a greater number of compact-disc hardware owners, like *Digital Audio* and the stereo books."

But with Hendrix, "it's six of one, half-dozen of another. If I advertise in *Digital Audio*, I reach 70,000 compact-disc owners, maybe 10% of whom like rock. If I advertise in *Rolling Stone* and there are a million rock lovers, and 10% of them own CD players, which one's bigger? You've got to look ahead and start to target more of the music audience and not just the people who own CD players."

Herschman, whose advertising budget was "2-3%" of the label's projected $5 million 1987 gross, got creative. He convinced 50 Album-Oriented Rock radio stations around the country, along with the Global Satellite and Westwood One Radio Networks, to have giveaways of the CD in conjunction with playing it on the air. Through last month, Rykodisc and Sony co-sponsored a contest through the Tower Records chain — "The Ultimate CD Experience" — awarding prizes of Sony CD players and the Hendrix CD, along with subscriptions to Tower's *Pulse* magazine.

Many in the industry have some flutterings about the disc's mass-market future. "Consumers will get more selective in what they buy," predicts Omansky. "The first year they own a CD, consumers buy a large number. They're filling their personal pipeline and are not so discriminating. But once they hit their own saturation level, it becomes more discretionary. Consumers won't be able to absorb everything and neither will retailers."

Indeed, "We have to broaden the base" is the common cry among record company executives, looking at that 7% hardware penetration figure. But the battle on the hardware front, fought so carefully in the past with efforts like the Compact Disc Group (an amalgamation of over 40 producers of CD hardware, software and accessories designed to promote the format), may erupt into war.

New technologies like CDV (compact-disc video), CDI (interactive CDs) and DAT (digital audiotape that offers CD sound clarity on cassette) are all on the horizon, and only CDV, which combines five minutes of video and 20 minutes of digital audio, is compatible for current players, but only for the audio material. While the establishment of a CDV Group may answer some of the questions regarding the disc's future, DAT threatens to erode any spirit of cooperation.

The Elvis effort is not CD-specific, but still has above-average CD sales, points out RCA's Omansky.

"DAT has the hardware and software companies at each other's throats again," says Herschman. "The consumer has been burned in the past," says another exec. "With all the CD, CDV, DAT, they're confused. They're not ready to commit to the hardware. And the high prices of CDs don't give them any incentive to make the effort."

To retailers' and consumers' dismay, disc prices do not seem to be coming down, even though the manufacturing cost is dropping as new plants come on line. CBS, MCA, Polygram and A&M have begun offering midline series, retailing at about $10 for CDs that are not considered major reissues (Capitol says its working on something "along the same lines" for fall roll-out), but there is no sign of a drop in prices for frontline product.

For the moment, at least, the lucrative baby-boom market, which to the record industry's dismay had seemed to be growing up and out of an active interest in music, is being lured back.

"We're still dealing with a very narrow segment of the market here," says Capitol's McCarrell, "but they're very active, upscale music consumers." Especially, it seems, when they can get their "Satisfaction" listening to the clearest tones possible. ■

BRAND REPORT

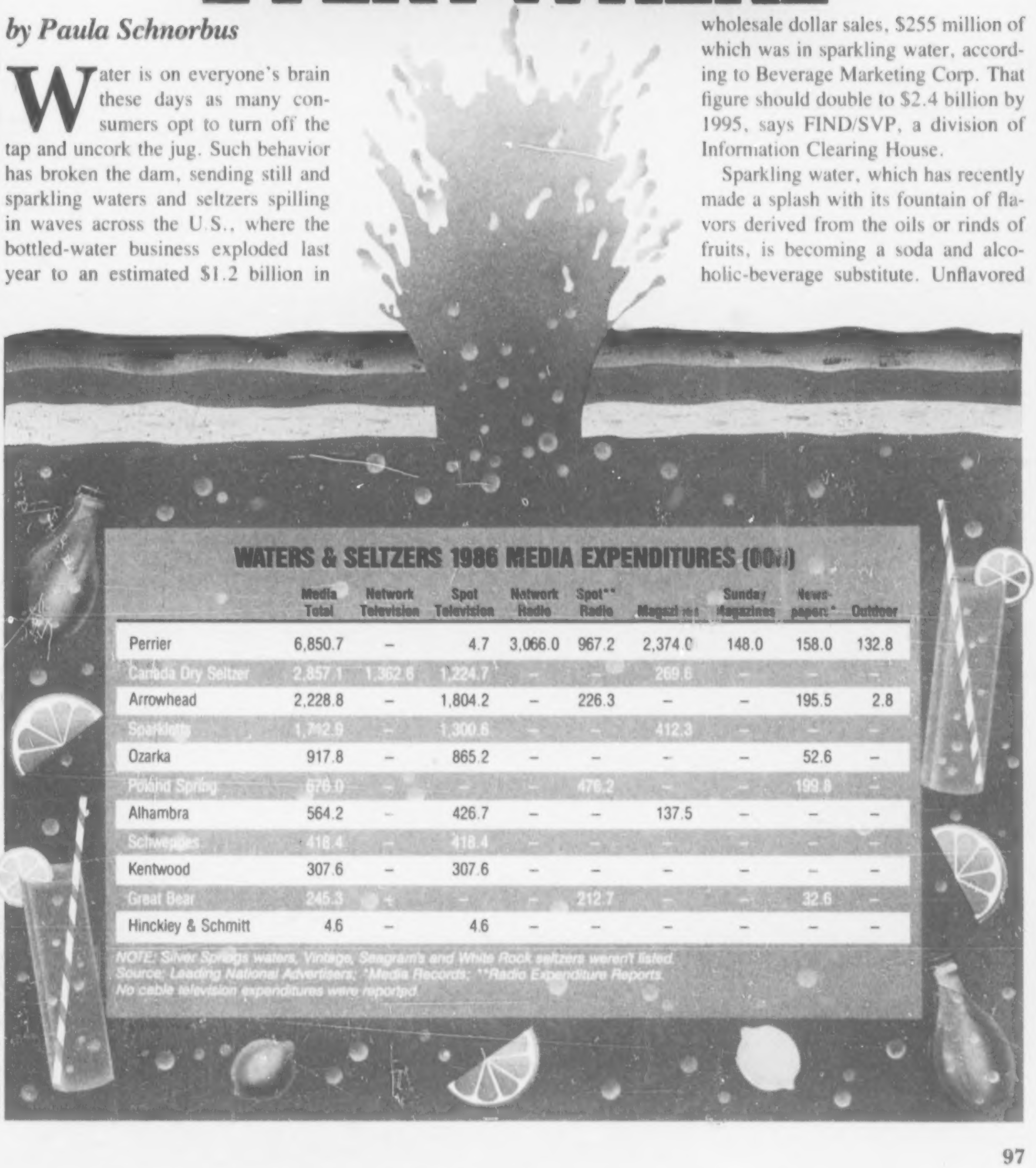
No. 145: Waters & Seltzers

WATER, WATER EVERYWHERE

by Paula Schnorbus

Water is on everyone's brain these days as many consumers opt to turn off the tap and uncork the jug. Such behavior has broken the dam, sending still and sparkling waters and seltzers spilling in waves across the U.S., where the bottled-water business exploded last year to an estimated $1.2 billion in wholesale dollar sales, $255 million of which was in sparkling water, according to Beverage Marketing Corp. That figure should double to $2.4 billion by 1995, says FIND/SVP, a division of Information Clearing House.

Sparkling water, which has recently made a splash with its fountain of flavors derived from the oils or rinds of fruits, is becoming a soda and alcoholic-beverage substitute. Unflavored



WATERS & SELTZERS 1986 MEDIA EXPENDITURES (000)

	Media Total	Network Television	Spot Television	Network Radio	Spot** Radio	Magazines	Sunday Magazines	Newspapers*	Outdoor
Perrier	6,850.7	–	4.7	3,066.0	967.2	2,374.0	148.0	158.0	132.8
Canada Dry Seltzer	2,857.1	1,362.6	1,224.7	–	–	269.8	–	–	–
Arrowhead	2,228.8	–	1,804.2	–	226.3	–	–	195.5	2.8
Sparkletts	1,712.9	–	1,300.6	–	–	412.3	–	–	–
Ozarka	917.8	–	865.2	–	–	–	–	52.6	–
Poland Spring	676.0	–	–	–	476.2	–	–	199.8	–
Alhambra	564.2	–	426.7	–	–	137.5	–	–	–
Schweppes	418.4	–	418.4	–	–	–	–	–	–
Kentwood	307.6	–	307.6	–	–	–	–	–	–
Great Bear	245.3	–	–	–	212.7	–	–	32.6	–
Hinckley & Schmitt	4.6	–	4.6	–	–	–	–	–	–

NOTE: Silver Springs waters, Vintage, Seagram's and White Rock seltzers weren't listed.
*Source: Leading National Advertisers; *Media Records; **Radio Expenditure Reports.*
No cable television expenditures were reported.

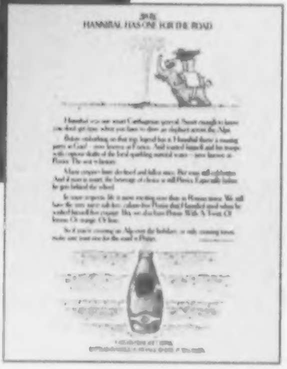
ILLUSTRATION BY JENNY ADAMS

Perrier gave sparkling water its stylish identity ten years ago and, at the same time, spurred the growth of the entire water industry. Last year, about 40% of Perrier's sales were from its flavors, says Beverage Marketing.

Plain seltzers also have given way to flavored seltzers and at cheaper prices than sparkling water. Seltzers are artificially carbonated water while sparkling water may be naturally or artificially shot with bubbles.

On the water front, be it still or sparkling, the bottled brands have been regional by nature. The expense of shipping and distribution keeps it that way, and business has stayed near its water source, except for imports like Perrier, which corners the import market with a 72% share. The only nearly nationally distributed still water so far is Mountain Valley, which costs double any other bottled water because it has only one source, in Hot Springs, Arkansas. Wholesale dollar sales only amounted to $17.5 million in 1986, according to Beverage Marketing.

PepsiCo Inc. is taking a different approach to a potential national bottled water. It is test marketing Ice Mountain Maine Spring Water, which, if successful, could become Ice Mountain Virginia Spring Water, or wherever Pepsi buys up other water sources and slaps the regional name on it. And Perrier, no slouch in the water business, has almost doubled its market share to 20% from 10.3% based on 1986 statistics, by recently acquiring the Beatrice Co's. bottled-water division, which owned Arrowhead, the second-biggest selling brand last year behind McKesson's Sparkletts. Both waters serve Southern California.



California is the biggest buyer of bottled water and consequently has the most home delivery. While most may think Golden State residents quaff the stuff to wash down their granola, California has a problem with hard water — too many minerals that may spoil the taste and be seen clinging to the sides of a glass. And, like other states, sometimes chlorine or other chemical content may be high or groundwater sources polluted.

What fuel for bottled water advertising! Or so it would seem, but negative ads don't wash in the industry. In fact, there is an agreement that bottled-water companies won't go for the jugular of municipal water supplies, says Mark Frandsen, vice president/marketing of Beatrice. He thinks it is "a nice commentary on our industry."

Meanwhile, bottled still water companies, including Beatrice, sell spring water as well as drinking water that is less expensive and comes from filtered municipal water.

Gene Rosov, president of WaterTest Corp., a Manchester, N.H.-based company that tests point-of-use drinking water sources for industry, consumers and municipalities, says the processing plants have been fairly sophisticated and have brought community water to a higher level of purity. However, he notes that spring water is poorly regulated. "You can call almost anything spring water, but larger companies are usually more responsible," he notes.

"In general," says Rosov, "bottled waters are free of the indicators of microbiological contamination. But there is no supply that is thoroughly tested for the presence of currently and commonly used pesticides on a comprehensive basis."

Still, the bottled-water business embodies a wholesome, holier-than-thou, field-frolicking image in its advertising, preying on upscale baby boomers' obsession with their health. The industry has employed minimalist advertising and, until recently, mostly gained sales by word of mouth, because 80% of still water is home or office delivered. When spot tv — water's biggest medium — spot radio, ROP ads and free-standing inserts in newspapers are used, a bottler or retailer will often match the ad dollars on a co-op basis. Several brands do cross-promotional couponing with Ocean Spray.

The following is a list of the biggest still and sparkling waters and seltzers in 1986, according to Beverage Marketing Corp. In estimated wholesale dollar sales and brand share, Sparkletts was first, with $115 million in sales and a 6.7% market share; Arrowhead, $111 million and a 6.5% market share; Perrier, $108 million and a 6.3% share; Great Bear, $36 million and a 2.1% share; Poland Spring, $31 million and a 1.8% share; Kentwood, $30 million and a 1.8% share; Hinckley & Schmitt, $27.5 million and a 1.6% share; Silver Springs, $22 million and a 1.3% share; Ozarka, $21 million and a 1.2% share; and Alhambra, $20 million and a 1.2% share.

The biggest seltzers of 1986, based on share by company of estimated gallons shipped, were Canada Dry, 20.2 million gallons and a 23.9% share; Vintage, 13.7 million gallons and a 16.2% share; Seagram's, 3.7 million gallons and a 4.4% share; Schweppes, 3.6 million and a 4.2% share; and White Rock, 2.6 million and a 3.1% share.

Sparkletts

The biggest-selling bottled water of 1986 serves some of the biggest markets: Southern California, parts of Texas and Las Vegas.

Its home-delivered bottles are marketed to 35-to-64-year-old college graduates who own homes with values of at least $135,000. Each of the houses has at least three members, including children.

Sparkletts does more home and office delivery than supermarket sales. Consequently, the advertising of its gallon jug is limited to point-of-purchase material, couponing, free-standing inserts and occasional print ads.

Sparkletts uses 30- and 60-second spots on local radio for its home-delivered bottles. This year, says Ron Burke, director of marketing, radio advertising is heavily involved in sports sponsorships, such as for the Los Angeles Dodgers and California Angels. Spot tv ads, which have a higher concentration in dayparts, are 10 and 30 seconds. Local newspaper advertising and business magazines, such as *Orange County Review*, have been used to a lesser degree. Sparkletts also sponsors men's and women's sports programs at the University of Southern California, as well as the Las Vegas Stars baseball team and local cultural events.

There also is a cooperative program with Merrill Lynch Realty Inc. With every home sold, Sparkletts provides a housewarming gift of free water for two months.

Burke says advertising in local ethnic publications is in the offing.

Burke also says that LNA's estimate of $1.7 million is about right for Sparklett's 1986 ad expenditures. He adds that expenditures are up about 10% in 1987 and will probably rise another 10% in 1988. Sachs, Finley is the agency.

Arrowhead

The Californians and Arizonians who have Arrowhead's five-gallon bottles delivered to their homes have larger families and higher incomes than the average, says Mark Frandsen, vice president of marketing.

An umbrella campaign is used to promote both the delivered and store-bought still water. Tv and radio are used. The primary target audience is women from 25 to 49 years of age, and the secondary audience is men of the same age for 93-year-old Arrowhead.

Both prime time and soap operas get Arrowhead spots.

Sparkling Arrowhead skews to a younger crowd of 18 to 49 years old. In addition to natural sparkling water, the three-year-old flavored variety includes lemon, lime, orange, grapefruit and cherry.

Tv supports both still and sparkling water with 30-second spots. Because of the demographics, the ads for still water may be seen on a broad range of programing, ranging from prime time to soap operas. Sparkling water commercials are aired during programs geared to a younger audience.

Radio ads support still water with 60-second spots with live announcer tags at the end. ROP newspaper ads are used for still water, while free-standing inserts appear for sparkling water. Cable tv is being tested, and outdoor isn't used at all. J. Walter Thompson handles the advertising.

Frandsen says that Arrowhead uses "a lot of Hispanic tv and radio; they are important bottled-water customers." About 30% of Southern California is Hispanic, he notes, and this segment is much more familiar with the concept of bottled water. Hispania/JWT is the agency.

LNA's estimate of $1.7 million for 1986 ad expenditures is "substantially low," says Frandsen, who wouldn't comment on Arrowhead's ad budget.

Perrier

Perrier isn't so much of a demographic sell as a psychographic sell, says Barbara Long, director of marketing. The target audience may range from their 20s to late 40s, but they are health-conscious first.

Perrier was first bottled in France in 1863 and made it over to this country, although very quietly, in the early 1900s. In 1977, Perrier got more aggressive in its marketing, says Long, to bring the beverage out of the "specialty gourmet position to a mainstream drink." In 1985, Perrier began its line of flavors, and today it is available in lemon, lime, orange and berry.

Perrier is most popular on the East

and West Coasts, and in Texas. The drink has a strong restaurant, hotel and convenience-store business, where it is mostly sold, and is actively trying to increase its presence in these outlets. In hotels, Perrier is hoping to get turndown services to leave a bottle of the sparkling stuff on the pillow instead of the traditional chocolates. Long adds they are trying to get Perrier into business meetings as well, for those who are trying to cut down on coffee.

New creative was introduced for the sparkling mineral water in January by Hal Riney & Partners, which became Perrier's agency in November. Because the campaign was new, tv was used as the sole medium. Commercials have been running on spot and cable in lengths of 30 and 60 seconds. Perrier advertises on network morning-news shows, "which are good at reaching travelers and working people." Spots also run on professional-tennis and golf tournaments, prime-time shows such as *L.A. Law* and late-night programing, because those who watch then are active socially and physically. Perrier also can be seen in Screen Vision ads in movie theaters for infrequent tv users.

Bottled water companies like to project wholesome images, but one expert notes that no water supply is thoroughly tested for pesticides.

LNA's estimate of $5.7 million in ad expenditures for last year is pretty much on target, says Long. In 1986, however, most of the ad dollars were in magazines and network radio, according to LNA. Media Records' newspaper estimate of about $158,000 is also in a "reasonable range," confirms Long, who wouldn't comment on this year's budget. In spot radio, Radio Expenditure Reports estimates that almost $1 million was spent in 1986.

Great Bear

Great Bear has been Beatrice Co.'s East Coast still water, distributed in 12 northeastern states. The demographic target is, again, primarily women ages 25 to 49, and then men of the same age group.

The 99-year-old bottled water has an "extensive print campaign" to support its commercial-route delivery business, says Frandsen of Beatrice. Great Bear is in regional business magazines to talk business-to-business, for example. Ads also run in the *New York Times Magazine*, the *Star Ledger* in Newark, N.J., and the *Philadelphia Inquirer*. There aren't any free-standing inserts for Great Bear.

"The print campaign is totally new this year," explains Frandsen, adding that "800" numbers are featured for the businesses to encourage direct response.

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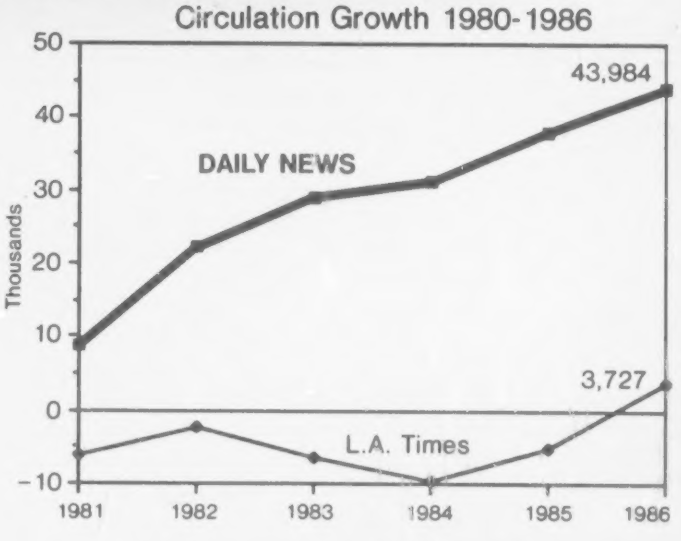


* Number represents circulation growth in Daily News market only (in northern Los Angeles and southern Ventura counties). Daily News total circulation is [illegible] daily 165,000 Sunday. Source VAC Reports 1980; ABC Audit Reports 1981-1986.

Last year, an awareness-building radio campaign was used in New York and Philadelphia. This year, neither tv nor radio nor outdoor campaigns are in the works.

Frandsen wouldn't comment about any plans for a sparkling Great Bear addition.

LNA didn't have any ad expenditures listed for Great Bear last year, but Media Records reported $32,586 in newspaper expenditures, and Radio Expenditure Reports says $212,734 was spent in spot radio.

Poland Spring

Poland Spring's still and sparkling waters have been around since the mid-1800s, but the dominant part of the business is the noncarbonated variety, which serves as the official water of the Boston Celtics.

The northeastern brand does best in retail, but home delivery is growing, says Long of Perrier, which now owns Poland Spring due to the acquisition of Beatrice's water works. She notes that the water appeals mainly to young families. The target audience is in the 25-to-49 age range.

Spot radio and newspapers are largely used. "Historically, radio is cost-efficient and able to tailor a message," says Long. "Tv is very expensive and very broad." The radio spots are 60 seconds, and the newspaper ads are ROP to help create awareness for home and office delivery. Commercial delivery is a smaller part of Poland Spring's business and is usually pitched through direct mail.

The sparkling water, which adopted flavors of lemon, lime, orange, cherry and cherry-berry cola, is advertised strictly on the radio. A younger audience of those in their teens and early 20s is targeted, although 60-second spots may be heard on various radio formats. Newspapers aren't used because Poland Spring uses on-bottle coupons and is able to get price reductions right on the store shelves.

LNA doesn't list Poland Spring in 1986, but Media Records reports that almost $200,000 was spent on newspapers, while Radio Expenditure Reports guesses almost $500,000 went into spot radio.

Altschiller-Reitzfeld became the new agency in July, succeeding Ally Gargano/MCA Advertising.

Kentwood

Because researchers have found the Mississippi River to be a "chemical highway," Kentwood zeroes in on southern Louisiana and, to a lesser extent, Mississippi, Alabama, Florida, Georgia, Arkansas, Oklahoma, Tennessee and Texas, says Hiro Morimura, executive vice president.

Kentwood, which is a division of Suntory International, the Japanese beverage concern, markets still and sparkling water. Morimura says Kentwood "is looking into" adding flavors to its sparkling water.

Demographically, Kentwood's customers are white and 30-to-50-plus years old, with incomes over $25,000. Morimura wasn't sure why other demo groups in his regions don't consume bottled water, but he guessed that income level may be a factor.

The still water is advertised in 30-second tv spots and placed based on GRPs, although ads may be seen on

A LOT OF NEW YORK FOOD MONEY LIVES IN FAIRFIELD COUNTY.

Any Food Advertiser wanting to hit home with the high end income core of the N.Y. ADI had better zero in on Fairfield County: home of the highest food store sales in Connecticut and one of only 8 counties in the ADI to surpass $1 billion in food sales.

And the FCD Newspaper Network, now with full 3% ADI coverage, is by far the most effective and cost-efficient way to reach it!

If your advertising target is irresistible wealth, call Greg McNally at Landon Associates: (212) 867-1112.

FAIRFIELD COUNTY DAILIES
FCD
one order / one bill / at a discount
At home with irresistible wealth

FCD The Bridgeport Post-Telegram. Danbury News-Times. Greenwich Time. The Hour (Norwalk). The Advocate (Stamford)

Ozarka emphasizes its mountain spring origins to purity-pursuing consumers.

fitness and cooking shows. Radio spots are 30- and 60-seconds. Newspapers aren't used "because penetration ratio isn't wonderful." Billboards, which are "very effective," are on the media plan, too. Magazines aren't used, but the yellow pages are. Kentwood also sponsors jazz festivals and other local events, and conducts a friend-to-friend program, whereby it awards gifts or incentives to consumers who recruit new Kentwood customers.

The sparkling water hasn't been promoted strongly while Kentwood develops a marketing plan, says Morimura.

Morimura says Kentwood's ad budget is under $1 million. Last year, LNA put Kentwood's ad expenditures at $307,600 for spot tv. Bauerlein Inc., New Orleans, is the agency.

Hinckley & Schmitt and Silver Springs

Hinckley & Schmitt, the 100-year-old brand, which predominantly serves the Midwest, pulled in $27.5 million in estimated wholesale dollar sales last year. This is probably no small feat because "there are still a lot of people in Chicago that drink tap water," says George Schmitt, president. The idea of drinking bottled water "probably hasn't even crossed their minds."

Recently, the Hinckley & Schmitt name has been emphasized on its other local brands, such as Ozone, Cascade and Rainbow. Silver Springs was acquired two years ago and serves Southern California. Last year, it pulled in $22 million in estimated wholesale.

Hinckley & Schmitt is distributed to homes, offices and retailers. A sparkling water, also available in citrus flavors, is in the test stage right now.

Hinckley & Schmitt advertises its "In a glass by itself since 1888" campaign in 30- and 60-second radio spots and 15- and 30-second tv spots. Fortis, Fortis, Schoenleb, Chicago, is the agency. Tv spots are half prime time and half day, since the target audience is primarily women age 25 to 54. Newspapers, such as the *Chicago Tribune* and *Chicago Sun-Times,* are used with ROP advertising.

The brand also promotes with Gerber Foods by selling a nursery drinking water with fluoride added to it. The water is marketed in gift packs primarily to hospitals in the Midwest.

The ad budget grows 10% a year, and for all Hinckley & Schmitt waters, this year's budget is in excess of $1 million.

Ozarka

Ozarka has been Beatrice Co.'s water alternative in Texas, the company's fastest growing area, says Mark Frandsen, vice president, marketing. The demographics are the same as Arrowhead and Great Bear, 25- to 49-year-old women first, men second.

Frandsen says emphasis has been put on Ozarka's mountain-spring origins, because customers then tend to perceive it as the best possible water.

The grocery- and route-delivered still waters are supported by 30-second tv spots. Ozarka's sparkling water, which shares the same water source and flavors as Arrowhead, is advertised in 30- and 10-second spots and through ROP ads and FSIs in newspapers.

LNA quotes $865,200 as Ozarka's 1986 ad expenditures. Frandsen says the figure is understated.

Alhambra

Alhambra covers the half of California that Sparkletts doesn't cover: the northern half.

The McKesson product also introduced a sparkling water that, if it does well, may go national, says Arnold Allan, vice president of marketing and new product development. The sparkling water is packaged in an old-fashioned seltzer bottle that spritzes out of the top, so "it never goes flat."

Alhambra is pitched to those who are 21-plus years of age and of middle income and higher. Tv spots of 30 and 10 seconds are used in all dayparts. The 30-second spots are "skewed to the overused word 'yuppies' and sophisticates." Sixty-second spot-radio commercials are used. Newspapers aren't used because Allan says those ads are more message-oriented and Alhambra is skewed toward image. Most of Alhambra's business is through direct sale as the company is totally vertically integrated.

Allan says more than $1 million a year is spent on advertising. LNA reports that in 1986, $564,200 was spent, mostly on spot tv. Sachs & Finley is the agency.

SELTZERS

Canada Dry

Let no one call Canada Dry "stodgy." This nationally distributed seltzer is targeting an affluent, avant-garde, 30-ish person with a college education. "Historically," says Allan Feagin, director of marketing services, "Canada Dry has been older and more mainstream."

The seltzer was introduced in the early 1970s, and 10 years later flavors hit the shelves. And there will probably be new flavors next year to replace slower moving ones. "It's a far more competitive arena now since the introduction," explains Feagin, noting that most seltzer makers have flavored entries.

Canada Dry's new creative by Wells, Rich, Greene debuted in May. The agency was adopted after Canada Dry was acquired by Cadbury Schweppes last year.

Canada Dry's seltzer is advertised primarily on tv, 60-second radio spots and West Coast billboards. Feagin adds that 90% of ad dollars are committed to 30-second tv spots. Media guidelines call for prime-time and late-night slots. Trade magazine advertising is done in *Beverage World* and *Beverage Industry* magazines. Carol Wright direct mail coupons are used as well as ROP ads by local bottlers and free-standing inserts.

LNA reports $2.8 million was spent on 1986 ad expenditures, most of which were in network and spot tv.

Discover!
CANADA DRY SELTZER
No Calories • Salt Free • Natural
Not All Flavors Available In All Areas
SAVE 30¢
On One 2-Liter, 2 Family Size (1-Liter) or Multi-Pack of any Canada Dry Product
Seltzers

FSIs play a role in the marketing of most seltzers.

Vintage

This seltzer, which may be found in most East Coast states, is the most price-driven among the sample. Though its consumer advertising is all but invisible, it retains the number-two slot in gallons shipped. The reason is clear. How can a consumer pass up *anything* that sometimes sells four liters at a dollar?

Vintage's makers consider the seltzer and its flavors to be soft drinks, and that's where they solicit sales, in the soft-drink sector, says Michael Lendacky, marketing manager for Concord Beverage Co., Concordville, Pa., which makes the seltzer.

Vintage is promoted once a quarter. Advertising, as designed by Regional Media Associates, Philadelphia, is in trade journals. Co-op advertising with retailers occasionally is in tv, radio and newspapers. Lendacky wouldn't comment on the ad budget, and LNA, Media Records and Radio Expenditure Reports have no listings for Vintage.

Schweppes

More than 200 years ago, Jacob Schweppe "impregnated" water by adding carbonation to his mineral waters, hence the birth of sparkling mineral water, says Margaret Luciano, marketing manager.

In 1981, Schweppes began distributing its seltzer water, or as its ads call the "Great British Bubbly." Flavors began test marketing in Seattle in April 1986, and currently 42 markets are covered, or just under 40% of the U.S. population. Potential seltzer drinkers are 25-to-44 years of age with some college education.

The seltzer is distributed through bottlers, who may or may not advertise. All advertising is done on a 50-50 basis with bottlers. There isn't any national advertising.

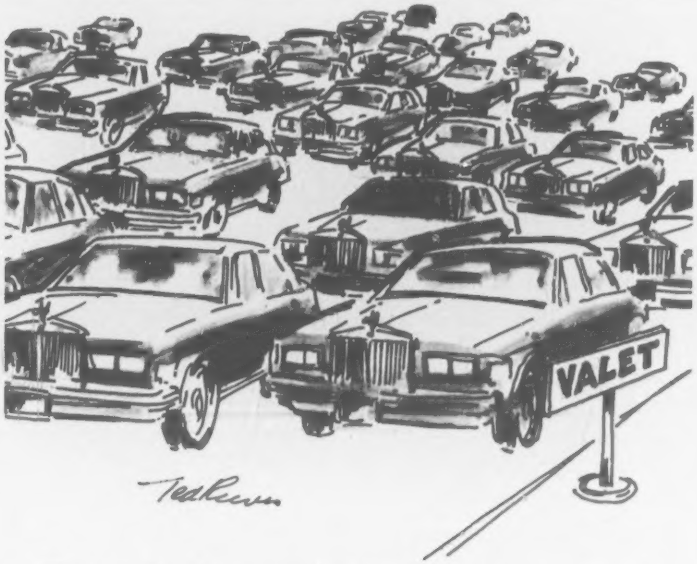
Spot tv, ads of which are usually on prime time and prime-access late news, and radio are used, as is ROP advertising in newspapers with some usage of FSIs. Outdoor advertising is done in Atlanta and Los Angeles. Ammirati & Puris does the creative for the seltzers.

LNA reports that in 1986, $418,400 was spent on spot tv.

Seagram's

Seagram thinks of its seltzer as a "lifestyle beverage."

As opposed to the "effete snob im-



"Dear, I thought you said we'd stand out from the crowd when we bought this car."

The nation's largest Rolls Royce dealership is located in Orange County and The Orange County Register carries more full-run automotive advertising than any other Southern California newspaper. (Media Records, 1986)

THE ORANGE COUNTY
Register
METROGROUP

The leading medium in Southern California's richest market. Represented by CWO&O

"Before the Juvenile Diabetes Foundation was founded 16 years ago...there was no hope for a cure.
Today the hope is very strong."

Before JDF began funding research for diabetes, little was known about this devastating disease and little was being done.

No one knew about inhibitor drugs that may some day radically lessen diabetic complications.

Before JDF, we knew little about transplanting insulin-producing cells or medications that one day may prevent the onset of diabetes.

Before JDF, there was no hope for a cure...today there is. Support us.

Juvenile Diabetes Foundation

With your help, we will be known as the people who cured diabetes.

THE JUVENILE DIABETES FOUNDATION INTERNATIONAL
432 PARK AVENUE SOUTH, NEW YORK, N.Y. 10016

age of Perrier," says Jerry Will, senior vice president of Premium Beverages Inc., a unit of Seagram, "we're more value-oriented and reasonably priced." The primary target audience, which cuts through all demographic segments, is 25 to 49 years of age.

The seltzer, first introduced in 1982, hasn't reached national distribution but is hitting 45% of the country. The highest concentration of volume is in the Northeast Corridor and Florida. Flavors came out last year.

The advertising, created by Marquardt & Roche, Stamford, Conn., is done locally on a co-op basis with bottlers. Radio and outdoor ads are used, and ROP newspaper ads feature coupons. Radio spots are 60 seconds, with a 15-second tag portion that gives pricing. Wet sampling in supermarkets and direct-mail couponing are employed to sell the seltzers.

The ad budget has been growing, says Will, but it remains under $1 million. "We stay out of tv. We're using our dollars with radio," he says. "We get more product awareness with a tagline on the radio."

White Rock

Seltzers have a list of standard flavors, all of which contain the essence of some type of fruit. But White Rock is looking at bottling Brooklyn's famous egg cream.

Up until the introduction of Perrier, says Joseph McCarthy, product manager at White Rock Products Corp., seltzers were always lumped with mixers such as ginger ale, tonic water and club soda. "Seltzers are a whole category by themselves," says McCarthy. But that doesn't change how they are advertised. White Rock still displays its mixers en masse. Montgomery, Zukerman, Davis in Indianapolis is the agency.

White Rock is distributed thoughout the country by regional bottlers, and price promotions and co-op advertising are used. The seltzer is strongest in New York, where 30-second radio spots pitch the brand. About $150,000 is spent on radio advertising. "We've been around for such a long time," says McCarthy, who says White Rock made seltzers in the late 1800s. "Not everybody has to advertise." ■

SALES PROMOTION

by Russ Bowman

PREMIUMS AND INCENTIVES: THE NEW VIEW

In an atmosphere of continuing concern over too much price-oriented promoting, premiums present a special marketing opportunity to consumer product and service companies.

Unlike temporary price reductions or cents-off packages, premiums — merchandise offered free or at a substantial discount — are perceived as value added. And unlike coupons or rebates, which are quickly gone and forgotten, a premium stays with the consumer or in the home as a permanent reminder. Additionally, considering the current concern over the loss of image-building caused by most price-cutting tactics, it has been established that premiums can positively reflect the image and positioning of a company or brand.

WHEN TO USE WHAT

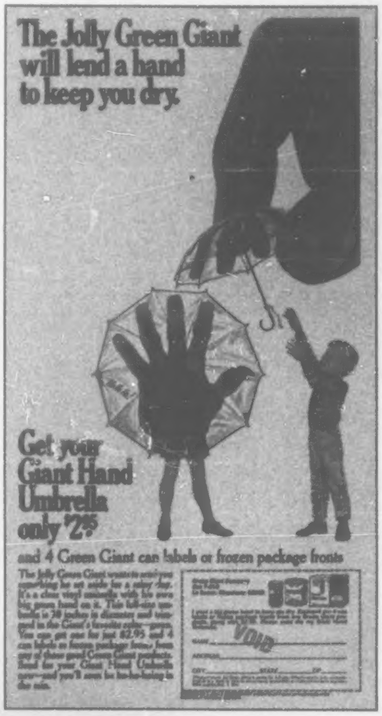
OBJECTIVES	PREMIUM/INCENTIVE TYPE
Trial (new users)	Free mail-in offer (advertised); direct premiums or giveaways
Repeat purchase	Free/self-liquidator offers; catalog programs
Reinforce advertising	Advertised self-liquidators; sweepstakes (merchandise prizes)
On-shelf value/impact	In/on-pack premiums; reusable container premiums

There are many different premium and incentive techniques, ranging from inexpensive premiums packed in children's cereals to complicated continuity catalogs like AT&T's "Opportunity Calling" program.

What is important is strategic use of the right premium for the right task. The chart "When to Use What" matches common marketing/promotion objectives and the types of premiums generally best suited to accomplish them.

One unique advantage of premiums is their ability to actually enhance an advertising campaign or planned brand image, and certainly the best examples of this strategic use of premiums comes from those brands/companies that are symbolized by a character: the Campbell Soup Kids, Charlie Tuna, Tony the Tiger, Cap'n Crunch, Ronald McDonald, and of course the two famous twins from the twin cities — the Green Giant (and "The Little Sprout") and the Pillsbury Doughboy.

It may be a little difficult to measure,


The Jolly Green Giant will lend a hand to keep you dry.
Get your Giant Hand Umbrella only $2.95
VOID

and 4 Green Giant can labels or frozen package fronts

The Jolly Green Giant wants to send you something he set aside for a rainy day. It's a clear vinyl umbrella with his own big green hand on it. This full-size umbrella is 30 inches in diameter and trimmed in the Giant's favorite color—green. You can get one for just $2.95 and 4 can labels or frozen package fronts from any of these good Green Giant products. Send for your Giant Hand Umbrella now—and you'll soon be ho-ho-hoing in the rain.

Pillsbury's famous symbols, the Doughboy, Green Giant and "Sprout," enhance ad campaigns.

Take your pick of two unique premium offers from Pillsbury and Green Giant®

Light up your kids' lives with two timely gifts – the Poppin' Fresh® Alarm Clock/Radio and Little Green Sprout® Lantern. Both of these handy premiums can be yours when you buy your favorite Pillsbury and Green Giant® products. See details in the order forms on the back page.

but not many experienced marketers would disagree that there is great long-term value in having your brand's symbol as a constant reminder around the house. Americans have accepted the "walking billboard," otherwise known as a t-shirt, as a way of life.

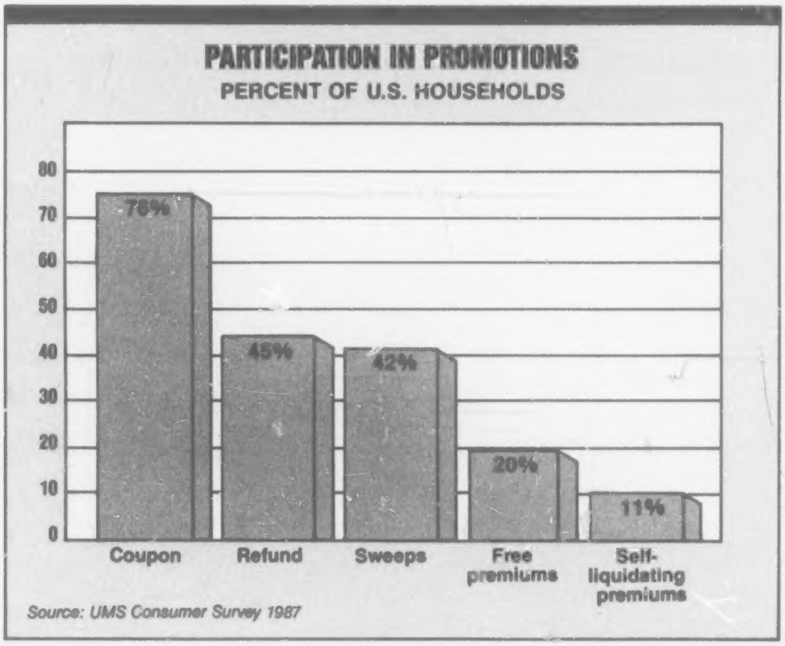
A&W Root Beer wanted to offer a reasonable-value dealer loader to help promote their "Root Beer Float." Source International, a premium importing firm, and Comart Associates, A&W's promotion agency, came up with a custom-designed floating radio. After the radio was presented to the bottlers, the initial premium order was increased by 60%.

But the use of premiums in advertising is truly a marketing example of the "different-strokes-for-different-folks" philosophy. While many brands see the premium merchandise as an opportunity to extend the brand's symbol or image, some companies, like Procter & Gamble, look at the use of premiums from a different strategic point of view. P&G chooses a premium that will gain the highest potential consumer response. If the idea can fit well with the brand in an ad and in many cases as an "overlay" to a coupon, it's even better. One example is a free stuffed animal (a traditionally successful premium) called "Cheero," offered for two proofs-of-purchase.

FIVE KEYS TO SUCCESSFUL PREMIUMS

1. A clear, apparent perceived value
2. A *unique* offering or opportunity
3. A high value/reward when compared with what is required of the consumer. (Cost and/or proofs of purchase, etc.)
4. Merchandise quality that meets the expectations of the consumer recipients.
5. Merchandise chosen/designed to appeal to the target audience (i.e.: You wouldn't offer Lawrence Welk records to teenagers)

With premiums' potential as attractive, value-added promotion tools, it's hard to believe the business is only growing at about 3-5% a year. The reason is simple: "Delayed-value" premiums just do not have that we-want-it-now clout of coupons or instant rebates. A consumer study by United Marketing Services, Lubbock, Tex., shows the relative participation among U.S. households for different promotional offers (see graphs). Premium offers, especially "self-liquidators," obviously appeal to a much smaller segment of America than refunds and sweepstakes.



Source: UMS Consumer Survey 1987

Both the key trade publications in this industry seem to agree on modest growth in 1987 to date and for the balance of the year. *Premium/Incentive Business* has predicted a 3.9% overall growth for 1987 (significantly less than last year's gain of 5.5% over 1985). Following are *P/IB*'s picks for the larger spending industries with the greater increases, 1987 over 1986, in premium use: hotels/restaurants, +12.7%; tobacco, +12.1%; mail order, +8.9%; appliances, +8.7%; machinery/hardware, +8.5%; pet food, +8.1%; textiles/apparel, +7.2%; and soaps/cleansers, +7.1%.

Bruce Bolger, editor of *Incentive Marketing*, also sees modest growth in 1987, but notes a couple of important bright spots. First, the "frequent buyer" plans (see "Direct Marketing, pg. 20) seem to be on the rise due in part to improved data-base marketing approach, and second, the joint or group promotions from either one company or partnerships utilizing premiums and incentives.

Mark Your Calendars

The key premium trade shows are still popular and in fact gaining. Jay Thalheim says his New York City premium show in May of this year pulled 33,684, up about 5% over 1986 and an all-time high.

Following is a list of the major upcoming shows: National Premium, Incentive Show, Sept. 15-17, 1987, McCormick Pl., Chicago; Variety Merchandise Show, Feb. 13-16, 1988, Javits Center, New York; 50th Annual Premium & Incentive Show, May 2-5, 1988, Javits Center, New York.

POINT/COUNTERPOINT/

PROMOTION AT WHAT PRICE?

DEFINING TERMS

Promotion is absolutely essential to a brand's marketing success, but all promotions are not created equal. There are only two basic kinds of promotion and they work in fundamentally different ways to generate sales and profits (or losses).

The share of marketing budgets allocated to promotions is at an all-time high. Unfortunately, most of this money is being spent on the kind of promotion that is seven times more expensive than advertising to maintain a point of market share over the long term. No wonder marketing productivity and profits are falling.

What are these kinds of promotion? One works like advertising to register a brand's unique advantage in the consumer's mind. The other kind simply offers a non-unique incentive to accelerate the buying decision.

Because advertising and the first kind of promotion develop brand preference and build a brand's consumer franchise, these activities are consumer franchise building (CFB) activities. Advertising is the major CFB activity, but certain promotions that work like advertising are also classified as CFB activities: sampling, demonstrations, service material and couponing.

Since the second kind of promotion accelerates action by consumers and the retail trade but does not register the brand's unique advantage in the consumer's mind, these activities are non-consumer franchise building (or non-CFB). Non-CFB activities include all trade deals and allowances, temporary price reductions, bonus packs, most premiums and sweepstakes, all of which are promotions that emphasize a non-unique incentive rather than the brand's unique advantage. Much couponing, including free-standing inserts, must be classified as non-CFB because the unique advantage is not mentioned, or else it is overpowered by the emphasis on the non-unique cut price and the mass of similar offers.

This way of classifying marketing activities as CFB or non-CFB is the heart of a simple CFB analytical technique that I began to develop 13 years ago. When marketing activities are classified in this way, unsuspected relationships are revealed between expenditures for CFB and non-CFB activities on the one hand, and market share and long-term profits on the other. In analyzing 45 case histories averaging eight years, I have discovered that:

1. Advertising and CFB promotions have a *cumulative* impact on sales for about four years. Non-CFB promotions affect sales less than a year.

2. When a brand spends too much of its budget on non-CFB promotions, profits almost always drop within two years. This reflects the fact that the brand is not spending enough on low-cost CFB activities and/or is spending too much on short-term non-CFB promotions that cost seven times as much per point of market share.

3. Market share is related to expenditures for advertising and CFB promotions over the past four years, plus for non-CFB promotions in the latest year — an amazing 80%-plus correlation.

Over-emphasis on short-term non-CFB promotions must and can be reversed. Otherwise, distinctive, profitable brands will turn into unprofitable, look-alike commodities.

Robert M. Prentice is a management consultant in advertising and marketing, and a veteran of more than 40 years in marketing on both the advertiser and the agency sides.

OUR READERS TELL US . . .

More than three quarters of our reader sample, polled by Research USA, Chicago, believe that price promotions do not have a negative effect on brand loyalty. (Base = 83 unless otherwise specified).

1. How much of a dollar change do you foresee in your overall sales promotion budget for next year?

An increase of over 10%	21.7%
An increase of 6% to 10%	20.5%
An increase of 1% to 5%	28.9%
A decrease of over 10%	2.4%
A decrease of 6% to 10%	4.8%
A decrease of 1% to 5%	2.4%
No change	19.3%

How much of a change will there be in your consumer promotion?

An increase of over 10%	21.7%
An increase of 6% to 10%	18.1%
An increase of 1% to 5%	25.3%
A decrease of over 10%	4.8%
A decrease of 6% to 10%	3.6%
A decrease of 1% to 5%	3.6%
No answer	3.6%
No change	19.3%

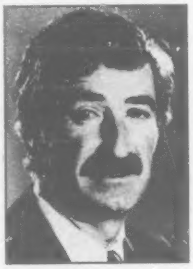
How much of a change will there be in your trade promotion?

An increase of over 10%	14.5%
An increase of 6% to 10%	10.8%
An increase of 1% to 5%	26.5%
A decrease of over 10%	3.6%
A decrease of 6% to 10%	3.6%
A decrease of 1% to 5%	3.6%
No answer	3.6%
No change	33.8%

POLL

STRUCTURES VS. LEVELS

Two alleged indices of marketing mismanagement are: (1) the percentage sold "on deal" and (2) the ratio of price-promotion expenses to advertising expenditures. The bad news is that both have gotten out of hand, or so we are told. The good news is that neither tells the whole story.



The reason both statistics aren't particularly relevant is that they focus on pricing structures, not pricing levels.

Pricing structures are systems of discounts, temporary and permanent. Pricing levels are average prices actually received, net of such discounts. Percentage sold on deal may be high, while average discounts are low. Even large discounts are of little concern if paid to retailers for special displays and prices, and not extorted under threat of discontinuing the product. Some of the strongest brands may continue to sell a large percentage on a "deal" and be getting a good deal in the process.

The amounts "spent" for promotion can be misleading because of the way they're calculated. The costing point of view is often arbitrary, and discount structures can conjure up large promotion budgets out of nothing. Discounts for prompt payment, truckload quantities and damaged goods usually don't show up in the marketing budget, but price promotions do.

Since coupons, rebates and temporary discounts to the trade are becoming part of the "permanent" pricing structure, the practice of including them in the marketing budget makes less sense. In some cases, companies may be getting higher average prices because they offer discounts that effectively discriminate between segments with different price elasticities. In many cases, promotion budgets are being calculated from list prices that would never prevail in the absence of promotions.

Price discrimination, in the economic rather than legal sense of the phrase, helps maximize profitablity of franchises being built by advertising, product quality and other marketing strategies.

Advertisers make mistakes when they portray price promotions as the enemy of advertising budgets. For example, using price promotions to ensure product availability increases confidence that demand generated by advertising will translate into sales.

It is true that sales-promotion budgets have grown faster than media expenditures, but since much of the former's growth is illusory, comparisons are hard to make. Indeed, such comparisons may increase the danger that future sales-promotion growth will come at the expense of advertising.

Other criticisms of price promotion have focused on diversion of goods from one market to another and the abuses reported in coupon redemption. No doubt these are problems, but then media bartering is not the place to take the moral high ground. And the fact that promotion-costing systems are crude may only remind us of how difficult it is to count readers and viewers delivered for the advertising dollar.

Price promotions often complement media campaigns. If more attention were paid to making promotions and media work together, the dialogue in "push-and-pull" marketing would be more productive.

Paul W. Farris is a professor at the Colgate Darden Graduate School of Business Administration, University of Virginia.

2. Does your promotion money come out of your advertising budget?

Yes	44.6%
No	55.4%

If "yes," what percentage is for promotion? (Base = 37)

1% to 5%	18.9%
6% to 10%	24.4%
11% to 15%	10.8%
16% to 20%	13.5%
21% to 25%	10.8%
Over 25%	18.9%
No answer	2.7%

3. Which type of promotion do you find most effective?

Manufacturer coupons	19.3%
Retailer coupons	10.8%
Free samples	16.9%
Sweepstakes	13.3%
POP/displays	42.2%
Refund offers	24.1%
Other	21.7%
No answer	4.8%

4. In which situation do promotions work best?

Long-term brand maintenance	15.7%
Short-term new product introductions	43.4%
Both equally	33.7%
Neither	4.8%
No answer	2.4%

5. Do you think promotions have a negative effect on brand loyalty?

Yes	20.5%
No	77.1%
No answer	2.4%

ECONOMIC EYE

PAY CABLE'S PROGRESS

Nielsen Station Index (NSI) reports pay cable in 26.8% of U.S. homes as of May 1987.

Three markets topped the 40% penetration level: Biloxi-Gulfport, 40.5%; San Antonio, 40.7%; and Honolulu, 40.9%. Two markets were below 10%: Alexandria (Minn.), 8.7%, and Harrisonburg, 9.0%.

MAGAZINE AD SCORECARD	Ad Pages July 1987	% change from July 1986	Dollars spent (000)	% change from July 1986
1. Skin Care, Creams, Lotions and Oils	116.20	+69.5%	$ 3,625.4	+90.5%
2. Lip and Eye Beauty Products	28.33	+6.3	1,052.2	+15.6
3. Scents and Fragrances	33.77	−21.0	986.5	−5.3
4. Facial Makeup Products	21.30	+113.0	631.0	+28.6
5. Prepared Dinners and Entrees (including Pizza)	19.54	−33.8	1,046.8	−14.1
6. Liquor	270.13	+5.4	11,244.5	+9.6
7. Cigarettes	528.89	+19.6	27,368.9	+14.9
8. Soaps and Detergents	68.45	+27.8	4,065.0	+21.1
9. Passenger Cars, Domestic	223.05	+4.0	9,694.4	−4.7
10. Passenger Cars, Imported	472.10	+71.1	18,414.4	+43.6

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100	1986						1987									
	Oct.	% change	Nov.	% change	Dec.	% change	Jan.	% change	Feb.	% change	Mar.	% change	Apr.	% change	May	% change
Network TV																
Daytime	103	+2	98	−2	85	−15	92		86		88		92		92	
Nighttime	104	+4	107	+7	109	+9	106		105		112		99		110	
Spot TV																
Prime time	119	+19	115	+15	116	+16	129		133		131		—		—	
Daytime	109	+9	111	+11	105	+5	130		108		108		—		—	
Network radio	115	+15	106	+6	110	+1	139		130		126		116		116	
Spot radio	←		103	+3		→	←		101		—		—		—	
Consumer magazines	106	+6	106	+6	107	+7	109		109		110		109		109	
Natl. Sunday mags	94	−6	94	−6	94	−6	103		103		103		103		103	
Business publications	106	+6	107	+7	107	+7	111		111		111		111		111	
Newspapers	108	+8	109	+9	109	+9	116		116		116		116		116	
Outdoor	106	+6	106	+6	106	+6	111		111		111		114		114	

Notes: Percentage shown is relative change from the same month/period the year before.

1985 = 100

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

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MARKETING & MEDIA DECISIONS

EPORT:
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OCTOBER 1987 • $4.00

TWEEN POWER

Marketers discover there's nothing childlike about 9–15 year olds' buying capacity.

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GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800 DIR
BETHSEDA MD 20814

Sony's Yutaka Sato is sending a message to Chris Metze and friends with a tween-specific line of products.

MEDIA FOR HIRE ● NEWSPAPERS: THE LONG WEEKEND ● TV REP REVIEW

MARKETING & MEDIA DECISIONS

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TWEEN

YOUTH'S MIDDLE TIER

Age aside, there's no in-between about them. These younger folk control some big dollars — big enough, in fact, for marketers to design product lines just for them.

They can't be made to stop slamming the refrigerator door, but they can program a computer. They are concerned about nuclear war but will drop everything when Pee Wee Herman's show comes on. They see tiger-striped, high-top sneakers as the height of fashion yet tell researchers they'd never choose a bank by virtue of its promotional gifts — only for its interest rates.

These eclectic tastes can belong to only one set — the hard-to-describe "tween" market. Generally, this is the group between the ages of nine to 15 that previously had been lumped in with the equally tough-to-figure children's market or the teen tier. But in today's far more complicated world, this nine-to-15-year-old segment has

POWER COMES OF AGE

by Carol Hall

distinct characteristics and powers all its own.

The salute is starting to come from all sorts of companies. Marketers from Jordache to Borden to Hallmark Cards to Kellogg to General Electric and Sony are busy developing or recasting products specifically centered on this age group.

The reasons why are simple. As Ann Clurman, senior vice president of Yankelovich Clancy Shulman puts it, "Children are consumers-in-training." For many, though, it's a case of learning on the job. Estimates says tweens have at least $4 billion and possibly as much as $30 billion of their own pocket money. They also cast the swing vote on a wide range of family products, influencing the spending of another $40 billion. "You could almost start a kids' bank," jokes Watts Wacker, a senior vice president at Yankelovich, which recently completed a study of kids five-to-16 years old that focused on their family life and spending patterns.

What makes these numbers even more eyepopping is that there are fewer tweens now than there were in 1980. Roughly, there are 34 million kids spanning the six-to-15-year-old category. Though that number has been declining for about 10 years, mainly due to couples deciding to have fewer children, it is projected to rise to 39 million by the year 2000.

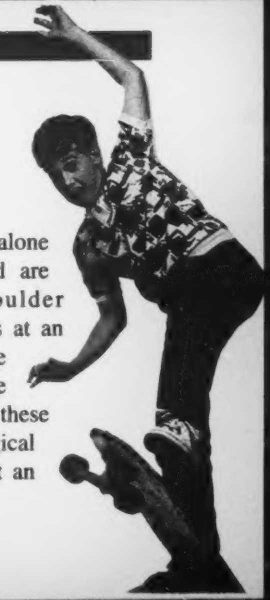
Teenage Research Unlimited, based in Lake Forest, Ill., divvies tween spending clout into five categories. There is the money they spend on themselves; the money parents spend on them; the money they shop for the family with; the influence they have over family purchases; and the money they will spend in the future as full-fledged teenagers and adults.

The latter is a key point, since for lots of these tweens the future is now. Lifestyles have changed markedly since the days of *Ozzie and Harriet*, and these kids have money and responsibility. With 75% of all moms at work, and more and more broken marriages, kids are left alone more than before and are being asked to shoulder more household duties at an earlier age. "We're always saying kids are growing up faster these days, but sociological trends are making that an

Spirals
Spirals

LARRY HAMIL/BLACKSTAR

Borden designed Spirals with tweens in mind, says Abernathy.



TWEEN PHOTOS BY STEVEN BEGLEITER

actuality," says Dr. Selina Guber, president of Children's Market Research in New York.

With kids doing more family shopping — a Teenage Research poll found 61% of 12-to-15 year olds buy groceries — they are having to make brand-purchase decisions. That's food for thought for a wide variety of companies. General Mills, for instance, is reportedly recasting a product to go after this segment, and the National Dairy Board is currently testing two milk commercials in Arizona and Tennessee that target tweens. If all goes as hoped, the board will unveil an $8 million effort aimed at this group.

But Kellogg Co. has already beaten them to the punch. Last March, it brought out Pro Grain, a honey-toasted cereal that, to reach a 13-year-old muncher, is advertised on weekday and weekend daytime kids' shows. "We've seen a lot of research that says they [the tween group] are doing a lot of the housework and grocery shopping," says a Kellogg spokesperson. Indeed, Yankelovich's study reports 53% of kids say they have different brand preferences than their parents and frequently buy the brands they like when doing the shopping.

KIDS AS CONSUMERS

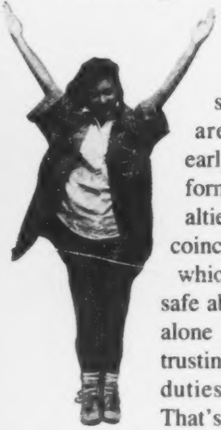
PERSONAL PURCHASES IN PAST 2-3 WEEKS	9-15 Year Olds (886)
Candy, Gum	71%
Snack Foods	39
Fast Food	37
Records, Tapes, CDs	27
Greeting Cards	19
Books	17
Jewelry/Watches	16

PURCHASE BY SELF WITH PARENTS	9-15 Year Olds (886)
Sneakers/Gym Shoes	85%
Clothes	83
School Supplies	72

CHILD-REPORTED PURCHASE INFLUENCE	6-15 Year Olds (1,175)
Apparel	85%
Breakfast Cereal	68
Ice-cream	62
Toys	61
Soft Drinks	60
Video Movies	51
Radio	38
Bread	29
Toothpaste	28
TV Set	19
Car	19
VCR	13
PC	12
CD Player	5

*Source: Nickelodeon/*USA Today/ *Yankelovich Youth Monitor, 1987.*

DAVE FLAHERTY



Youth-market researchers believe kids are often "branded" early — that is, they've formed some brand loyalties by age nine. (That, coincidentally, is the age at which mothers start to feel safe about leaving the child alone after school and entrusting them with shopping duties, say researchers.) That's why it is more important than ever for marketers to plant the first seeds of brand loyalty at an early age.

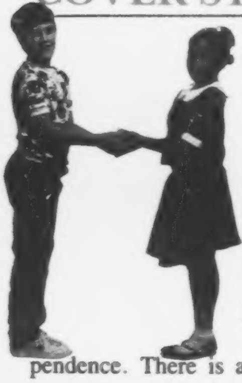
"A lot of kids don't know about Sony today," says Yutaka Sato, director of consumer audio at Sony, "but if we can provide them with quality products, they will remember S-O-N-Y in the future." That's why Sony, which is trying hard to expand its share of the U.S. consumer-electronics market, is launching the My First Sony line of four audio products for kids this month. The walkie/talkie, "boom box" portable stereo, Walkman-like cassette player and a sing-along tape player with microphone are priced from $35 to $60.

All are brightly colored, "rubberized" to make them kid proof and easy to operate. Inside, though, is the same Sony technology as in the adult models. Distribution will be quite different from the usual, however. While existing Sony dealers will offer the products, specialists like Toys "R" Us, Child World and F.A.O. Schwarz will also carry the items. Department stores are also on the must-carry list.

Sony developed the line at the instigation of its salesforce, which kept seeing *toy* electronic products at trade shows. Indeed, toymaker Fisher Price is selling a $60 cassette player/radio. Sony figured there was a market opportunity, as these products may not have the greatest sound quality and are made by a toy company—a genealogy anathema to a child of a certain age.

Also, Sony research showed that kids were asking to use their parents' audio equipment. Since parents are reluctant to lend expensive things to their kids, Sony reasoned a cheaper, look-alike model might win favor. Focus groups bore out Sony's gut instincts — they learned that 90% of the parents had bought their kids toy audio equipment.

Sony doesn't say so, but they were probably also motivated to mine this market because General Electric is gingerly moving in. Last year, GE introduced the Side Step, a more fashionable, colorful version of the "boom box." Four more products were added this past April: the Watch Out (a portable audio/video system); Onestep (portable tape player); Jammer (clock radio); and Half Step (Walkman-like). All are priced in the $30-to-$60 range and boast features like a self-winder mechanism to store ear phones that GE thinks kids will find irresistible. The company declined to give sales results, claiming it's too early for any meaningful numbers.



aving products to sell is only half the battle. This age range is a harder group to attract than even young children, because they are just developing ideas of independence. There is also not a lot of targeted media designed with this age span in mind (see sidebar, page 58). A too kid-like approach turns off the kids, while an adult pitch may offend the parents.

Advertisers seem to be taking one of three tacks in trying to reach them. Some, such as GE, are pitching directly to the tween group. Starting in September, ads began to run in *Teen, Seventeen, Young Miss, Scholastic, Junior Scholastic* and *Splice* magazines. Others, such as Borden and the fast-food and soft-drink marketers, are targeting both the kids and their parents. Still others, such as Sony, are advertising their products first to Mom and Dad and then turning to the kids.

This year, Sony will spend about $3 million on television and print ads for its new line of kid products. The ads, to be directed at parents, will nevertheless use kids as their stars. The tv spots, which allow for dealer tags, feature a chorus of kids singing the jingle, "I like Billy, I like Tony, but what I really like is My First Sony . . ."

The ads, placed by McCann-Erickson, will be split between daytime dramas and prime-time shows. Print placements go after parents, too, with buys in books such as *McCall's, People, Good Housekeeping, Working Mother* and *Family Circle*. "The logic," says a company spokesperson, "is that by the time the kid says 'I want it,' the parents have gotten the message that this is good, it's okay."

That's sort of the approach Borden is taking with Spirals, its first-ever snack product aimed at kids 12 and up. "We are trying to appeal to the end-user but with an eye to the gatekeeper," says Chris Abernathy, vice president of marketing for Borden in explaining how he wants to win over kids — and Mom — to the new Spirals snack. Borden decided to go after this audience when research showed they chomped more of these kinds of foods than any other group. "The tonnage is just incredible," says Abernathy, laughing.

To get a little piece of that for Spirals, a corkscrew-shaped corn-and-tortilla crunchy, Borden designed a flashy, tween-tuned package.

GETTING THEIR ATTENTION

Tweens are a notoriously mercurial bunch when it comes to media consumption. At this age they behave more like accordians than people, their media tastes stretching to things that target kids as well as those designed for teens or adults.

Take magazines, for instance. The range of kid options is wide, and for a given product the whole gamut could be appropriate for the tweens you want to reach. There are books for the younger end of the scale, like *Barbie* magazine. For the 8-to-14 year-olds, there are pubs like science-oriented *3-2-1 Contact*. Slightly older kids might go for the classics — *Junior Scholastic, Boy's Life, YM* or *Teen*. Some new ones are coming in as well, like *Splice*, the new book on young movie stars and rock luminaries, and *Sassy*, due in March, which will cover fashion, entertainment and health.

Since tweens like to read the big kids' magazines, books like *Seventeen, Glamour, Mademoiselle* and even *Cosmopolitan* could be considered. And young boys are no strangers to the pages of *GQ* — Jordache advertises its tween-targeted jeans there.

On the tube, while a number of shows target tweens — among them NBC's *Main Street* and CBS's *Pee Wee's Playhouse* — most of those air in slots like Saturday morning and weekday early fringe.

Kids Can
"Just Say No"

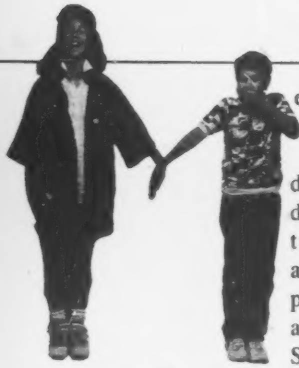
NBC's program guide and General Mills' learning kit.

But the networks' ratings for 6-to-11 year olds (as close as they come to measuring tweens), tell a different tale. Eight of the top-ten shows kids watch are in prime time. They include sitcoms like *Family Ties* and *Alf*, as well as shows like *The Disney Sunday Movie*. Two Saturday-morning cartoon shows are in the top-ten for this age group, and *Pee Wee* ranks 15th.

Another element in the tween tv mix is the popular kid cable network Nickelodeon. Begun in 1979, the network began accepting advertising in 1984. Nickelodeon is on-air with kid's programing 14 hours a day and targets 6-to-15 year olds.

The degree of tween media consumption is also hard to measure. Though their medium of choice is most often television, they still tend to watch far less than adults. You're not always sure of catching them, in other words, on a given day or even in a given week.

And there's no real consensus on how effective a vehicle print is for tweens. Nay-sayers claim they don't sit still long enough to read the editorial parts of a magazine, much less the ads. But others argue that kids this age are actually a better print audience than adults. The logic here is that grown-ups have not only perfected the art of skimming but have already had years of ad exposure and are jaded.



edia buys include youth-oriented radio (with Madonna concert-ticket giveaways), newspaper inserts and spot tv. Summer tv buys put 30-second spots in heavy kid-watching dayparts: soap operas and early-fringe shows. The ads, which feature kids spiraling into the air to a rock beat, have also begun to air on MTV in Chicago. Moms will be courted through continuing use of afternoon soaps and point-of-sale promos and sampling. By the time the chips are national in late December, about $10 million in ad monies will have been spent.

On the whole, companies are not spending vast amounts to reach this audience. For one thing, it costs less to advertise to this group, especially on television, since their favorite dayparts are generally cheaper to buy than the adults'. In addition, marketers are still being conservative in their spending against this group, because while their influence has grown tremendously, they are still not the main purchasers in most product categories.

Also, everyone has a different age definition of what makes a tween. Some put the entry age at six, but most put it at nine. Nearly all agree, though, that the cutoff is 16, the magic age of driver's licenses and the call to other kinds of teen action.

Tweens actually exist in some kind of twilight zone — too sophisticated for babyish things and still too naive to be trusted with the older teens' freedom. They are also at that finicky stage where something is great one day and totally gross the next. Yet they are a better-educated and more worldly group than ever before — regardless of socio-economic background. In general, they are better informed about sex, politics and technology, for instance, than previous generations.

It's perhaps television, of which tweens are avid watchers, that serves most to make them a lot more aware — and attuned to what products are in the market. According to the Yankelovich poll, watching tv is how 88% of its respondents spend their after-school time. In that same poll, 45% report having their own tv set.

There are other reasons why baby-boomer offspring are a market force to be reckoned with. Parental guilt, believe it or not, ranks high. The angst both single parents and dual-career parents feel about spending less time with

Direct mail is an approach more marketers are looking at for tweens. In the past, it's use has been restricted to magazine-subscription offerings. Most still address kid-oriented mailings to parents, because Mom and Dad still have the biggest buying clout and many don't want their kids solicited by mail.

Don't forget there are more opportunities for direct marketing than just the mail. What if an advertiser could penetrate that bastion of tween-dom, the school room?

Lifetime Learning Systems (LLS) was formed ten years ago to do just that. The Fairfield, Conn., company creates and distributes corporate-sponsored teaching programs to classrooms, from pre-school through college. Marketers can target any grade and age range they choose and, adds founder Roberta Nusim, a former school teacher, "they can target without any competition."

Even a partial list of participating companies and organizations reads like a business who's who: American Express, Adidas, Ace Hardware, Bic, Lever Brothers, General Foods, Columbia Pictures, American Paper, Beatrice, Hallmark, Johnson & Johnson. A sponsor pays for the development of a program and all the materials students need for it. Sponsors spend anywhere from $20,000 to $500,000 on a lesson plan. The programs allow a company to advertise to students as long as there is an educational tie-in.

In one example, Universal Studios sponsored a teaching unit to tie into its launch of the *Breakfast Club*, a tween/teen movie. Students at the more than 12,000 schools the lesson plans went to weren't shown the film and weren't required to see it. Instead, the program revolved around teacher-led discussions about topics alluded to in the film: peer pressure, relationships with parents and siblings, feelings of rebellion. The thinking was that kids involved in discussions would rush out to see the film. According to a follow-up study, 37% of those exposed to the kits did take in the movie, as compared to 22% of kids who hadn't been primed.

American Express is soon to launch a kit for elementary school kids with a far-reaching program teachers can pick and choose from. The program is tied to the bicentennial of the Constitution and is geared to interesting kids in U.S. history and in traveling to other parts of the country. One plan has kids making a class constitution, and another has them planning an imaginary cross-country trip. The only obvious plug for Amex is the "traveler's certificate" in each kit, which is an award for completed course work that bears the traveler's check logo.

their children results in their spending more money on the kids.

Today's tweens also don't operate under the same ethos as their 1960s-nurtured parents. Sixties tweens dreamed of driving VWs; today, it's BMWs. "There is no '60s social-value thing today," says Dr. Steve Barnett, chairman of Research & Forecasts, a research and communications consulting firm. "So today, there is no reason not to spend to the last penny."

And tweens have more dollars to spend these days, in part because allowances are heftier. Also, a fair number have part-time jobs. According to a 1986 Teenage Research Unlimited survey of over 2,000 kids ages 12-to-15, boys collected $22.40 a week on average, while girls got $15.40.

In deference to fatter tween wallets, marketers have moved their idea of acceptable price points higher. "It used to be if an item retailed for $5, you pitched to the kid. If it was $20, you went to the parent," claims Allen Bohbot, president of Bohbot & Cohn Advertising, a media buying service that specializes in advertising to children. "Now," he states, "it can even be $100 and you'll go to the child."

Still, most products that include tweens in their marketing plans carry pretty light price tags. Sony's $3 Music Pops blank tapes for kids — they come in colorful packages with easy-to-understand instructions — are a good example. So is the "single" compact disc they are pushing the recording industry to accept. The smaller CD would feature two songs, just like a 45 vinyl single, and it would be aimed primarily at tweens, the biggest buyers of 45s, and be priced at about $4. It would, says Sony, get them accustomed to using a disc player as well as to the sound quality of a CD.

Hallmark has also gone the inexpensive route with its new line of school and clothing accessories. The company was looking to add to its traditional customer base, mothers and young women, when it rolled out Color Gear late in the summer of 1986. Then, the line consisted of decorated notebooks and other school accessories. But it did so well with the target group of preteens to young adults — emphasis on the lower end — that it was expanded this summer.

JUDY GUROVITZ

Taylor of Jordache discovered his market had become younger.

"Until recently, Hallmark didn't address this segment," notes Barbara Miller, product-information coordinator. "We haven't had the teen consumer coming into the store — this is a first for Hallmark." The line now consists of clothing accessories like sweatshirts, sunglasses, scarves and earrings, as well as school accessories. Color Gear also features wallets, backpacks and tote bags.

The whole line is essentially an elaborate back-to-school promotion and was only available from mid-June through September. Hallmark plans to repeat it again next year. Advertising is print only and is in youth-targeted books like *Splice*, *Teen*, *Young Miss* and *Mademoiselle*.

All agree that the current effort to reach tweens could be just the beginning, despite the fact that marketers have been a bit slow to see this group move into view. "They're behind the times," observes Selina Guber, who says requests coming into her company for info on kids 9-14 have picked up dramatically over the last year.

Advertisers have been known to be a bit backward in their efforts to get chummy with kids — and kids can be harsh critics of advertising directed at them. As much as they despise being talked down to, for instance, they *hate* it when adults use their lingo. "Even if a word's 'in,' " cautions Marshall Cohen, senior vice president/research and corporate services at MTV, "kids may resent your using that word, because they know who make most commercials — adults."

Jordache seems to have the problem licked. Last year, the jeans company broke a campaign with good kid copy — though parents hated it. Ads began with lines like, "Have you ever seen your parents naked?" and "I hate my mother. She's so much prettier than I am."

Where did the company learn to talk like that? They picked it up from kids in focus groups and wrote it into ads for their jeans and other clothing lines. Then they hired kids to say it on tv, so that out of the mouths of babes comes a message other kids will respond to. Though the company won't share the figures, those in the industry say sales took off with the release of these ads in the 1986-87 campaign. "We're advertising *from* the group, instead of *to* it," asserts Jerry Taylor, director of advertising. He has bought space in *Seventeen*, *Teen*, *Mademoiselle* and *Rolling Stone*. Television spots tend to favor prime-time sitcoms, such as *The Cosby Show* or *Family Ties*, as well as after-school features.

Jordache began revamping its marketing strategy about three years ago, says Taylor, when it realized its average customer was no longer the 25-year-old woman, but boys and girls as young as 12. Now, notes Tayor, who could be speaking for a host of marketers, "My customers are kids who can walk into a store with either their own money or their mother's. The dependent days of tugging on Mom or Dad's sleeve in the store are over." ■

NEW DIRECTIONS

Changes in the media world have helped direct marketing clean up its image and grow more specialized.

by Paula Schnorbus

Specialized catalogs transformed into spiffy videologs . . . television home-shopping channels that sell everything you can imagine . . . data bases that tell what brand of tomato sauce Mrs. Jones favors. These are only a few of the most significant ways that direct marketing is becoming a trendy and sophisticated field.

The common thread throughout the $12 billion industry is the search to make direct-marketing more efficient — and, in the process, clean up its image among consumers tired of junk mail and dinnertime phone calls from over-eager salespeople.

Catalogs, for instance, are seeking to broaden their appeal by becoming more specialized and by squeezing themselves onto newsstands and kiosks. Some catalogs are turning themselves into videotapes or videologs. Others have started to take advertising to offset costs, though the jury is still out on whether these ads are distracting to mail-order buyers.

Lists are getting more targeted too, because of the struggle to eliminate "irrelevent or junk mail," points out Raymond Dempsey, chairman of AdDirect, a Westport, Conn.-based division of Marketing Corp. of America.

One of the biggest breakthroughs in

DIRECT MARKETING MEDIA EXPENDITURE ESTIMATES (millions)

	1986	1985	% Gain/loss
Catalogs	$2,538	$2,254	13%
Direct Mail (includes brochures, card decks, bill statement enclosures, package inserts etc.)	2,214	1,840	20%
Telemarketing*	162	336	NC
TV (cable, network, local and interactive)	216	92	135%
Radio	54	NA	–
Magazines (space or inserts)	324	230	41%
Newspapers (space or inserts)	108	138	–22%
Yellow Pages**	6,000	NA	–
Outdoor***	128	122	5%
Total	11,744	5,012	NC

Sources: Direct Marketing Association projections.
Total sample: 1,173 (1986); 1,196 (1985).
Response rate: 36% (1986); 32% (1985).
Sample doesn't include financial service or insurance companies; non-profit organizations or fundraising direct response ads.
* Includes outbound and inbound in 1985 and outbound only in 1986.
** *Direct Marketing* magazine.
*** Institute of Outdoor Advertising. Includes toll-free and local telephone numbers only.
NA—Not available
NC—Not comparable

the industry is the emergence of television's home shopping. With its easy access to the nation's households, the medium is highly regarded as an economical way of distributing and promoting merchandise. "It is probably one of the most efficient direct-marketing mediums ever devised," says Larry Gerbrandt, a senior analyst at Paul Kagan Associates Inc.

The following is a sketch of the many methods direct marketers use to deliver their sales messages and an examination of the trends in each.

Direct mail: Targeting is catching on in a big way. Marketing supply houses offer lists of everyone from Hispanics to expectant mothers for cost-conscious direct mailers. The type of advertisers using this medium, in addition, is getting more worldly. Add airline tickets and financial services to the host of products and services sold through the mail today.

The changes should improve consumers' reactions to direct-mail pitches. Currently, about 35% of the letters go right in the trash, according to direct-marketing consultant Joe Morrone. And response rates are staying in the dismal range — at about 2%, according to Donn Rappaport, chairman of American List Counsel.

That hasn't deterred direct mailers, however. One of the options picking up speed is magazines mailed to subscribers in a polywrap. The magazines arrive with such extras as renewal notices, outside catalogs and ads.

Another dark spot on the horizon, however, is the threat that mail-order houses will be forced to decrease their mailings because of increasing paper and postage costs. Possible taxes on mail-order purchases remains an issue for buyers and sellers alike too. But Maxwell Sroge, a mail-order expert, doesn't believe a levy will be passed during the upcoming election year.

The intensifying number of scams in direct mail is also irksome, says Denison Hatch, editor and publisher of the newsletter *Who's Mailing What!*. One popular current scam is vacation clubs that go bankrupt after rolling in high fees for memberships.

On the catalog front, the news is decidedly optimistic. A recent survey by Marke/Sroge Communications indicates that 20 of the leading mail-order-catalog companies say they will be sending out more catalogs for the Christmas season and are anticipating a sales increase of 12% to 15%. Additionally, as of 1986, there were 6,000 different types of catalogs, up 25% from five years earlier, when there were 4,500, according to Marke/Sroge.

Editor Hatch

Telephone: One of the troublesome signs here is the growing regulatory outcry against telemarketing. In fact, telemarketers will be disconnected this month in Florida homes that put a special notation in the phonebook to keep away unwanted "sales solicitation." Meanwhile, the Direct Marketing Association has set up its own Telephone Preference Service, which allows customers to remove their names from outbound telemarketing lists.

Television home-shopping shows are probably one of the most efficient direct-marketing mediums ever invented.

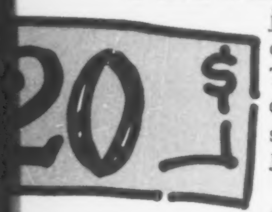
Expert Sroge

Consumer inbound calls are growing at a fast rate, says Geri Gantman, chairwoman of the Telephone Marketing Council of the DMA. This rise is due to more women working and an increasing number of senior citizens who are immobile, she says.

In addition, says Phyllis Guest, owner and manager of Copy/Write, a marketing-communications consultation service, telemarketing is "no longer just a sales function." Free samples are made known to the public by tv commercials that carry "800" numbers. New list prospects can be developed from the calls generated.

Interactive tv: Videotex, which uses home computers, has had a rough start since its beginnings 10 years ago. It has been plagued by programs that are "user surly" rather than user friendly, says Gary Arlen, president of Arlen Communications Inc., which publishes *Electronic Shopping News*.

He notes that after failures such as Knight-Ridder's Viewtron and Times-Mirror's Gateway, videotex was referred to almost like a dirty word. H&R Block's CompuServe is considered more viable than these two projects, however. That's chiefly because the electronic shopping mall avoids costly news programing — which shoppers don't want anyway.



Two other operations are scheduled to debut in the next year: Trintex, a joint videotex venture of Sears and IBM, and Telaction, a consumer-controlled tv shopping service in Chicago from J.C. Penney.

Broadcast: The shift for hybrid commercials, which combine image advertising with "800" numbers, is to shorter spots, says Robert Georgalas, vice president, media director of JWT Direct. Instead of the typical 120-second spot, he notes 30-second plugs, such as for the *Wall Street Journal*, are getting popular.

In cable, of course the big news is tv shopping shows. The sales leaders (who probably even hawk kitchen sinks now) continue to be Home Shopping Network, QVC Network and Cable Value Network. Look, however, for increasingly specialized networks like the Fashion Channel, which has originated from multiple-system operators.

The cable industry got more good news last year in a study by Media Buying Associates, which found cable is more effective than broadcast for generating direct-response purchases. But direct-marketing business on cable has been dropping off, because much of the time is being nabbed by bargain-hunting general advertisers, says Jim Springer, a partner of Ellentuck & Springer Inc., a direct-response broadcast agency.

Radio, says Springer, is still reluctant to sell a two-minute commercial, the standard length for direct-response advertising. But direct marketers may get a more positive impact from radio spots as news departments are built up, he indicates. The news will draw more listeners and hopefully shoppers, he reasons.

Newspapers: Direct-response coupons are proliferating in travel sections and, especially, in finance, hospital and health sections in newspapers, says Alfred Eisenpreis, senior vice president, retail marketing at the Newspaper Advertising Bureau. And, says Eisenpreis, newspaper supplements that carry toll-free numbers or coupons are increasingly a favored direct-marketing tool.

One of the more innovative uses of direct response in newspapers comes from Harrod's department store in London. The upscale retailer runs an "800" number in newspapers here to announce its major sales.

Magazines: Mail-order sections are getting more plentiful as an efficient way to get low-cost leads, says Robert Coolidge, media director at Marcoa DR Group, Chicago.

Stan Rapp, chairman of Rapp & Collins U.S.A., adds that the automotive industry is dipping into direct response in magazines. Ads for Lincoln-Mercury's Merkur have included a toll-free number for interested car buyers to request a data disk. More recently, the diskette has been advertised through direct mail.

Agencyman Springer

The development of Selectronics will mean greater targeting capability for mail-order advertisers in magazines. Selectronics allows ads and editorial to be personalized for readers. Dale Smith, president of *Farm Journal*, boasts that in May 1984, nearly 9,000 different versions of one issue were distributed.

On another front, mail-order sections in farming magazines remain prosperous, according to Jim Cornick, publisher of *Successful Farming*. He explains that farm machinery dealers have been consolidating, forcing farmers to shop farther away and apparently through mail order.

Outdoor: Here the trend is toward more creative uses of this medium. National advertisers have grown fond of mnemonic devices, such as Emery Air Freight's billboard, which is painted like a giant brown package with the number 1-800-Hi-Emery emblazoned across it.

Outdoor is perceived as an inexpensive way of constructing a direct-response campaign, and sometimes it is considered too effective. Take the case of Adventists Health Systems, which ran a series of ads for nurses, such as "Need a doctor? Call a nurse." The toll-free number plastered on the billboard received so many calls that the health system cancelled the billboard campaign, says Gannett Outdoor.

Yellow pages: The books have been diversifying since the AT&T divestiture, when the 19 regional phone companies printed 5,600 directories. Today, some 200 independent publishers are compiling as many as 7,000 directories, including silver pages for the over-55 market, tourist and neighborhood directories and even Chinese and Portuguese directories. In addition, "talking" phonebooks, which allow consumers to listen to recorded ads, debuted in Boston a year ago.

Advertisers confused by the new options should welcome a yellow-pages usage study due out next year. By the National Yellow Pages Agency Association, it will track which books a household keeps and what headings are referred to for product decisions. ■

BRAND REPORT

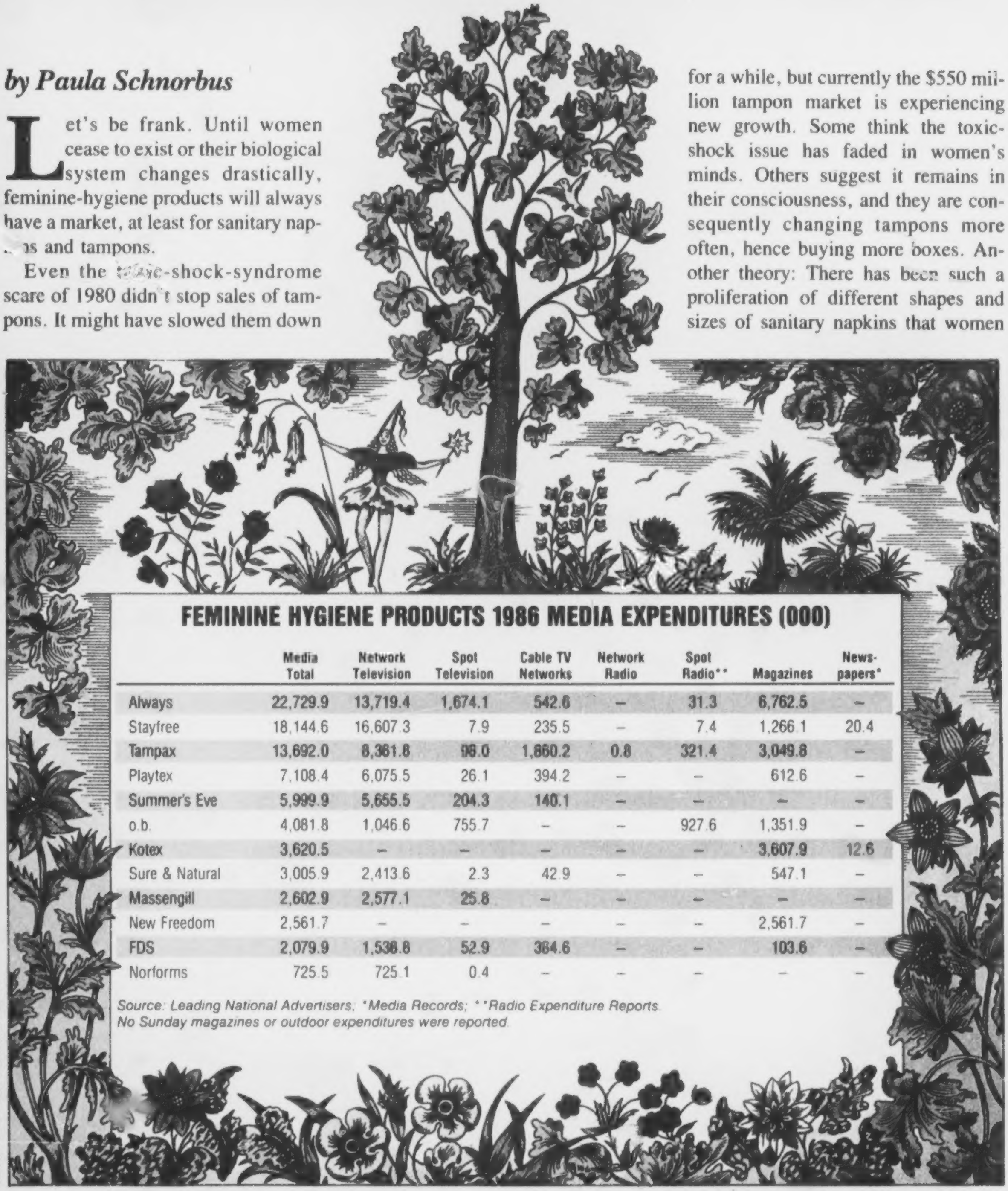
No. 148: Feminine-Hygiene Products

PERSONAL APPEAL

by Paula Schnorbus

Let's be frank. Until women cease to exist or their biological system changes drastically, feminine-hygiene products will always have a market, at least for sanitary napkins and tampons.

Even the toxic-shock-syndrome scare of 1980 didn't stop sales of tampons. It might have slowed them down for a while, but currently the $550 million tampon market is experiencing new growth. Some think the toxic-shock issue has faded in women's minds. Others suggest it remains in their consciousness, and they are consequently changing tampons more often, hence buying more boxes. Another theory: There has been such a proliferation of different shapes and sizes of sanitary napkins that women



FEMININE HYGIENE PRODUCTS 1986 MEDIA EXPENDITURES (000)

	Media Total	Network Television	Spot Television	Cable TV Networks	Network Radio	Spot Radio**	Magazines	News-papers*
Always	22,729.9	13,719.4	1,674.1	542.6	–	31.3	6,762.5	–
Stayfree	18,144.6	16,607.3	7.9	235.5	–	7.4	1,266.1	20.4
Tampax	13,692.0	8,361.8	98.0	1,860.2	0.8	321.4	3,049.8	–
Playtex	7,108.4	6,075.5	26.1	394.2	–	–	612.6	–
Summer's Eve	5,999.9	5,655.5	204.3	140.1	–	–	–	–
o.b.	4,081.8	1,046.6	755.7	–	–	927.6	1,351.9	–
Kotex	3,620.5	–	–	–	–	–	3,607.9	12.6
Sure & Natural	3,005.9	2,413.6	2.3	42.9	–	–	547.1	–
Massengill	2,602.9	2,577.1	25.8	–	–	–	–	–
New Freedom	2,561.7	–	–	–	–	–	2,561.7	–
FDS	2,079.9	1,538.8	52.9	384.6	–	–	103.6	–
Norforms	725.5	725.1	0.4	–	–	–	–	–

*Source: Leading National Advertisers; *Media Records; **Radio Expenditure Reports. No Sunday magazines or outdoor expenditures were reported.*

ILLUSTRATION BY RODICA PRATO

became "confused" and turned to tampons, speculates Joseph Kozloff, vice president, Drexel Burnham Lambert Inc.

Indeed, there are pads for all ages and seasons. The $1 billion market includes short ones for teens; individually wrapped ones for discretion; hourglass-shaped pads to mesh with the contours of the female body; and even "manta rays," as Kozloff refers to them, or the "winged" ones for added protection.

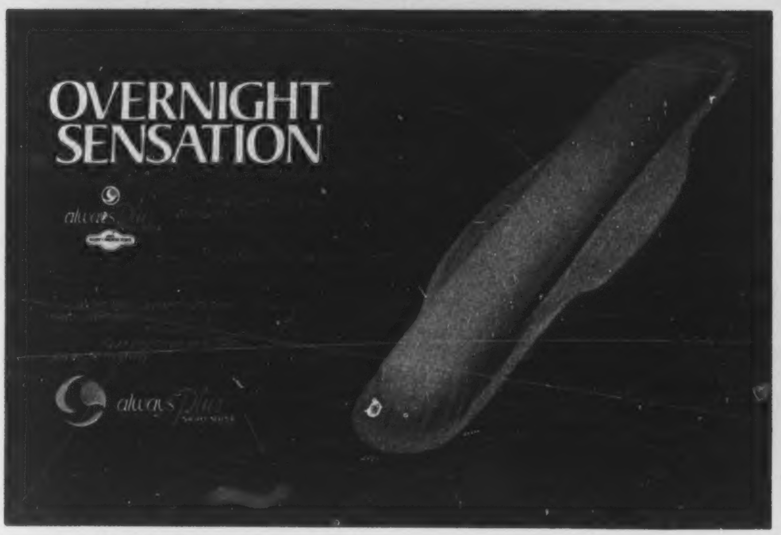
Stayfree had fastened itself to the top-pad position for years after, in 1969, it became the first adhesive-backed pad, a real breakthrough compared with the belts and pins previously needed for usage.

Just recently, however, Always, a line from Procter & Gamble Co., (P&G), pushed the Johnson & Johnson (J&J) Stayfree brand out of the lead in napkin-market share. P&G introduced Always about three years ago, but last year, the redesigned product with extra, adhesive-backed side panels (or "wings"), hit the crowded store shelves.

Ironically, it is a former Procter product, Rely tampons, that is most associated with toxic-shock syndrome. The brand was gaining market share with its popular super-absorbent styling, but then that same styling was linked to cases of toxic shock in 1980. Meanwhile, a recent study by the Centers for Disease Control has found that *any* brand of super-absorbent tampons may cause the greatest risk of toxic shock, and those women who use tampons of any kind have 33 times the risk of those who don't.

Undaunted by the Rely episode, Procter jumped into the sanitary-napkin arena and designed Always a few years later. With Procter's "aggressiveness," as Vicki Weber, assistant vice president at Merrill Lynch, calls it, Always catapulted itself to the number-one spot in feminine napkins.

Historically, as the market evolved, advertising for feminine-hygiene products was "hidden" in women's magazines. Even the packaging, when the products were first marketed in the 1920s, was plain wrapping, according to "The Feminine-Hygiene Products Market," a report by Packaged Facts Inc. Kotex, the first sanitary napkins, made their advertising debut in *Ladies' Home Journal* after the publisher's secretary told her boss it would be a "godsend" if the pads could be advertised.



Procter & Gamble's Always napkins now come with "wings."

It wasn't until almost 20 years ago that the National Association of Broadcasters relaxed its policy regarding feminine-hygiene advertising. FDS, the feminine deodorant, was the first to break tradition. It was followed by menstrual products and douches in the early 1970s. Now, tv is the most used medium for the products.

The NAB's codes of industry self-regulation were ruled unconstitutional by the Justice Department in 1982, but the networks continue to protect the viewing public from sanitary-protection commercials. Ads generally are only allowed during daytime soap operas and game shows, and not again until after 8:00 or 9:00 p.m., depending on the network. One study conducted in recent years by Tambrands Inc. found that the majority of Americans don't feel menstruation should be discussed openly. The networks claim they are even stricter than the NAB was in what they allow in a commercial.

Sanitary napkins were "hidden" in women's magazines until 1972. Now even the word "period" is allowed to be used on tv, but ads only air during certain hours.

Feminine-hygiene advertising is often *very* feminine, with hearts-and-flowers settings and women in ruffled dresses. More recently, when leotard-clad gymnast Cathy Rigby flipped around the uneven bars to show how effective her Stayfree pads were, the commercial was thought to be too "graphic" by the viewing public, according to one network executive.

Now, the word "period" is allowed on tv commercials, although Harvey Dzodin, vice president, commercial clearance for ABC, says, "The first time we allowed 'period' in a commercial, it was said three times and people complained." On any major network, you will never see an entire, authentic menstrual product but only a cross section or perhaps a computer graphic or a very basic line drawing. To show napkin absorbency, ad agencies seemingly borrow from the old Bounty paper-towel commercial, except blue water is used on what looks like parts of a pad.

Douche commercials, says Kathy Oberg, N W Ayer account supervisor for Summer's Eve, focus on the "end benefit," that the product will leave the user "fresh, clean and confident. Women don't necessarily want to hear how you get there." Kline & Co., a Fairfield, N.J.-based market-research firm, says if the $120 million douche market grows at all, it will be because of price increases stemming from inflation. The products generally don't have physicians' recommendations. Many physicians say women don't need the products and, in fact, some women may have allergic reactions.

But feminine deodorants, such as FDS spray or the Norforms suppository, will probably decline from 1986 sales of $22.5 million, says Oleh Denysyk, senior consultant at Kline. He says "bad press" has hurt the deodorants, because women feel the products may be irritating and they don't really need them.

All told, this doesn't mean the products are promoted any less. Indeed, they are promoted heavily with everything from free-standing insert (FSI) coupons to unadvertised price reductions at the stores. One thing tampon manufacturers may soon have to promote on their packages are absorbency ratings, as required by the Food & Drug Administration, which is proposing a regulation for adoption within a year. Tampon makers have never been able to reach an agreement on labeling.

Douche commercials focus on the "end benefit. Women don't necessarily want to hear how you get there."

The following are the share-leader brands in feminine-hygiene products, as broken down into sanitary napkins, tampons, douches and deodorants.

Procter & Gamble's Always was the market leader in sanitary napkins, with a 24% share as of first quarter 1987, according to data supplied by Merrill Lynch and researched by Towne-Oller, (which tracks products from warehouses to supermarkets but not drugstores). Stayfree from Johnson & Johnson had a 22% share; Kotex and New Freedom, both Kimberly-Clark products, with a 14% and 9% share, respectively; and J&J's Sure & Natural had an 8% share.

Tampax had a 56% share of the tampon market, a low estimate, notes Weber of Merrill Lynch, because convenience stores weren't included in the tally. Playtex was number two with a 30% share; J&J's o.b. brand had a 9% share; and Kotex tampons had a 4% share.

Kline & Co. reports that two companies corner the market on douches and feminine deodorants. Beecham Products' Massengill is the leader with an approximate 50% share, and C.B. Fleet's Summer's Eve has a 35% share. FDS, Alberto-Culver's feminine-hygiene spray, reigns over half the feminine-deodorant market, and Norforms from Fleet takes up 25% with its deodorized suppositories.

SANITARY NAPKINS

Always

Procter & Gamble's Always maxipads and minipads brands came out nationally in May 1984, but with the introduction of its revamped winged version for extra protection, which became available nationally in 1986, Always gradually unseated Johnson & Johnson's Stayfree products as market-share leader.

The winged product, which bears the line "Nothing beats the wings at night" at the bottom of its print advertisement, currently has three winged "Plus" napkin products that are of varying size.

In April, Always Slender for Teens went national. The thinking behind these shorter, slimmer, thin maxipads is that teenagers have different physical needs, says a spokeswoman. They also come in a drawstring polybag for teens looking for a "discreet product" for wearing and disposal. The product is

". . .all I said was, 'Don't worry about Orange County. We've got it covered with our L.A. buy'."

The Orange County Register MetroGroup reaches 43% of all Orange County adults, in comparison to just 27% by the Los Angeles Times.
(Source: 1987 Scarborough Newspaper Readership Study)

THE ORANGE COUNTY Register METROGROUP

The leading medium in Southern California's richest market. Represented by CWO&O

being advertised in print magazines such as *Seventeen* and also on tv. Always products currently are advertised in 30-second spots, although 45-second spots also have been used. The napkins may be seen on the Friday night CBS movies and the Friday night ABC movies, as well as on *Moonlighting* and the soaps. Traditional women's magazines are used, but so are magazines such as *People, Health, Ebony* and *Essence*. Always uses FSIs in newspapers and direct-mail couponing and is a sponsor of the Publishers' Clearinghouse promotion of the Special Olympics.

LNA reports that Procter & Gamble spent $22.6 million in 1986 on Always products, $14.4 million of which was on Always Plus. Most of the dollars were on network tv and magazines. DMB&B is the agency.

Stayfree

Stayfree was the first adhesive-backed, beltless pad marketed, with the introduction of minipads in 1969. Two years later, a maxipad was made available, and in 1983, Stayfree Silhouettes came out. The hourglass-shaped napkins, which are thicker in the middle and thinner on the ends, are said to be designed to fit the "natural contours of a woman's body."

While Johnson & Johnson won't comment on their ad budgets, LNA reports that the company spent a whopping $18 million on advertising last year, compared with $14 million a year earlier. It appears that J&J pumped an additional few million into its network-tv expenditures with the introduction of its thin Silhouettes. Saatchi & Saatchi DFS Compton is the agency for Silhouettes, while Young & Rubicam handles the other Stayfree products. LNA estimates that Stayfree maxipads were supported by $71,100 last year, most of which was in cable tv, and the Stayfree maxipads called Thins had expenditures of about $3,300 in cable tv, according to LNA. The thin maxipads debuted in 1985.

Stayfree
maxi-pads

Stayfree was the first adhesive-backed pad.

A spokeswoman says the products are pitched to women between 12 and 49. Products such as thin maxipads and minipads have specific market appeal for teens.

The brand does 30-second tv spots on the soaps, game shows and prime-time shows such as the ABC Friday night movie, *Kate & Allie* and *Scarecrow & Mrs. King*. Print ads can be seen in women's books that run the gamut from *Seventeen* to *Cosmopolitan*. Free-standing inserts run in newspapers.

Stayfree sponsors a telethon for the Children's Miracle Network, which supports local children's hospitals. The Stayfree brand also backs Shelter Aid, a fundraising effort for victims of domestic violence.

Kotex

Kimberly-Clark manufactured the "grandmother" of sanitary pads in 1920. Today's Kotex, which is differentiated from Kimberly-Clark's New Freedom by its thickness, has restaged itself with the introduction of drawstring polybags, instead of cartons, containing the folded, individually wrapped pads.

Tina Barry, director of corporate communications at Kimberly-Clark, says retailers like the change, because the bags are almost 35% smaller than the old cartons. The print campaign broke in late 1986, and tv followed early this year with both day- and prime-time shows on a wide range of programing, from the CBS Sunday night movie to *Scarecrow & Mrs. King* to the *Miss Texas Teen USA Pageant*.

AT LAST, the best nighttime pad ever, with 50% more coverage than ordinary maxis—to protect your new nighties, your baby blue sheets, and your beauty sleep.
OverNites
Introducing new OVERNITES from KOTEX

Kotex marketed the first sanitary napkin.

The print campaign is still running in women's magazines, such as *Essence* and *Seventeen*, as well as in *People* and *TV Guide*. Free-standing inserts are used for the entire Kotex line. In-store ads and Carol Wright direct-mail coupons are used as well.

New graphics embellish the packaging, but the different color schemes for easy napkin-size identification are the same. The newest size is the Kotex Profile, which is hourglass shaped and reminiscent of Stayfree Silhouettes. Kotex OverNites — with 50% more coverage than ordinary maxipads, the company says — were introduced in February 1987, and, in May, Procter & Gamble's super maxipads were renamed Always Plus Night super maxipads.

According to LNA, Kimberly-Clark spent $3.3 million in 1986 on Kotex Lightdays Pantyliners; $44,500 on Profile Maxipads; and $189,700 on Thin Maxipads. All expenditures were on magazines. Ogilvy & Mather is the agency.

New Freedom

This Kimberly-Clark product hit the market in 1972 and was intended to provide the solution of added comfort, with a thinner, narrower pad than Kotex.

New Freedom appeals to a somewhat younger audience, says K-C's Tina Barry, although the ads by Ogilvy & Mather are directed toward all women, depending on their particular needs.

Women's books such as *Ms.* and general-interest magazines such as *TV Guide* are used although tv advertising isn't. New Freedom products also are in Carol Wright's direct-mail coupon packages and FSIs in newspapers.

LNA reports that about $2.6 million was spent on magazine advertising last year. Ogilvy & Mather handles the advertising.

Sure & Natural

These J&J-manufactured maxi-shields were launched in 1980. They are designed to provide the protection of a regular maxipad at half the bulk. Four years later, "Tiny Totes" were made for discreet carrying and disposal packs.

A spokesperson close to the account says the target audience is 12 to 34. Women's and teen books are used, including *Seventeen*, where an ad recently showed a young woman boldly dressed in white, saying, "It's the heaviest day of my period, and I'm not wearing a thick pad." Free-standing inserts are used in newspapers. Earlier this year, 30-second Sure & Natural ads appeared on the ABC Friday night movie and CBS Sunday night movie, *Murder, She Wrote*, and soaps and game shows. One ad has another woman in white pouring blue water on what appears to be a part of a Sure & Natural pad placed onto her white jacket to show the absorbency of the maxi-shields.

LNA estimates that most of Sure & Natural's $3 million in 1986 ad expenditures were in network tv. SSC&B is the agency.

"Are you sure it won't hurt?"
FOR A FREE SAMPLE
TAMPAX
TAMPAX
TAMPAX TAMPONS. The better way to deal with your period.

Tampax pitches to the teen market.

TAMPONS

Tampax

Tampax was first marketed in 1936 as the "revolutionary new answer to sanitary protection," says Edwin H. Shutt, president and chief executive officer of Tambrands.

Tampax focuses on the younger half of the 12-to-50-year-old women's market. "That's when they're making their decisions on what kind of products to use," he says. "They're most receptive." About two years ago, a beginner Tampax was introduced. Petal Soft Tampax are slender, with plastic applicators rather than Tampax's traditional cardboard. Print ads may show young girls worried about bulky napkins listing reasons why they switched to Tampax, or a knowledgeable young girl in the school lavatory reassuring another not to be afraid of Tampax. Ads run in teen magazines as well as in women's books.

Tampax advertising is more than 50% tv, with 30-second commercials on such shows as *Cheers* and *Night Court*. One commercial features a woman lawyer at her first day in court. Prime time is an "appropriate vehicle," and Tampax has been on cable, while radio was not a successful medium, says Shutt, who couldn't explain why. Free-standing inserts in newspapers also are used. Currently, Tampax has been selling a 35-cents-off price pack.

Shutt says the tampon category is growing about 1% to 2% a year with the population. Concern over toxic-shock syndrome is "long gone," he says. "It's a rare disease, and almost no one knows anyone who had it. It's not significant in the market today." He adds that about 65% of menstruating women used tampons before toxic-shock syndrome made the news, and about the same percentage use tampons today.

About $13 million was spent on advertising in 1986, according to LNA.

YOU'VE GOT IT MADE. NOW MAKE MORE OF IT.

There's even more money to be made with U.S. Savings Bonds! Hold them for five years and earn market-based interest rates—just like money market accounts. You're guaranteed a competitive return, no matter what happens to interest rates. What's more, all the interest you'll earn is exempt from state and local income taxes. Buy U.S. Savings Bonds where you bank or work. For more information, call 1-800-US-BONDS.

U.S. SAVINGS BONDS

Bonds held less than five years earn a lower rate.

A public service of this publication.

Shutt says that's about right, and as the business grows, more is spent on advertising each year. Advertising is handled by William Esty.

Playtex

Developed in the early 1960s, Playtex tampons offered a "blooming-action design" with a plastic applicator, says Martin Petersen, director, community and government relations at Playtex. In time, a contoured tip and deodorant option were added.

While Petersen says Playtex pitches its product to all menstruating women, he notes that the company looks for tv shows that have the biggest audience of women 18 to 38. The 15-second spots currently used have been aired during *Hotel* and *Cagney & Lacey*. They also may be seen on daytime and cable tv. The ads designed by Grey are of the "snapshot approach," or flight-caption presentation, depicting women on the move.

Magazines used are only those directed to women. A half-page ad in *Cosmopolitan* shows a woman in white clothes surrounded by white cats.

Tampax peddles its products to the younger half of the 12-to-50-year-old women's market. That's when "they're most receptive."

"Mother didn't know all the facts of life," she seemingly purrs, adding that Mom thought all tampons were the same. Free-standing inserts are used in newspapers on a co-op basis. Sales promotions include bonus packs that may include 25% more product for the same price.

Petersen says that although concern over toxic-shock syndrome had reduced sales in 1980, the company advises women to use sanitary napkins, a product it doesn't make, when sleeping.

According to LNA, Playtex spent $7.1 million on its tampons in 1986.

o.b.

Johnson & Johnson enlisted the aid of a woman gynecologist to pitch these tampons when they were developed in 1976 in Germany. They are rolled in layers and don't have any applicators. A 30-second tv spot instructs trendy-looking young women to "set yourself free from the extras." The commercial employs a simple line drawing to show the layered-design tampon. The spots were seen earlier this year on soaps and game shows. FSIs are used in newspapers. The tampon also is advertised in magazines, including *Cosmopolitan* and *Glamour*.

LNA reports that ad expenditures were $3.2 million in 1986. Dollars were put into magazines first with the rest in network tv, and, to a lesser extent, spot tv. Cadwell Davis Partners is the agency.

Kotex

Kotex tampons were introduced in 1960. They also are being restaged in the same package graphics as the Kotex napkins, points out Kimberly-Clark's Tina Barry. The tampons continue to be contained in cartons, but now they have flip tops.

Kotex tampons originally had stick applicators, and these are still available. But now they also offer plastic-tube applicators.

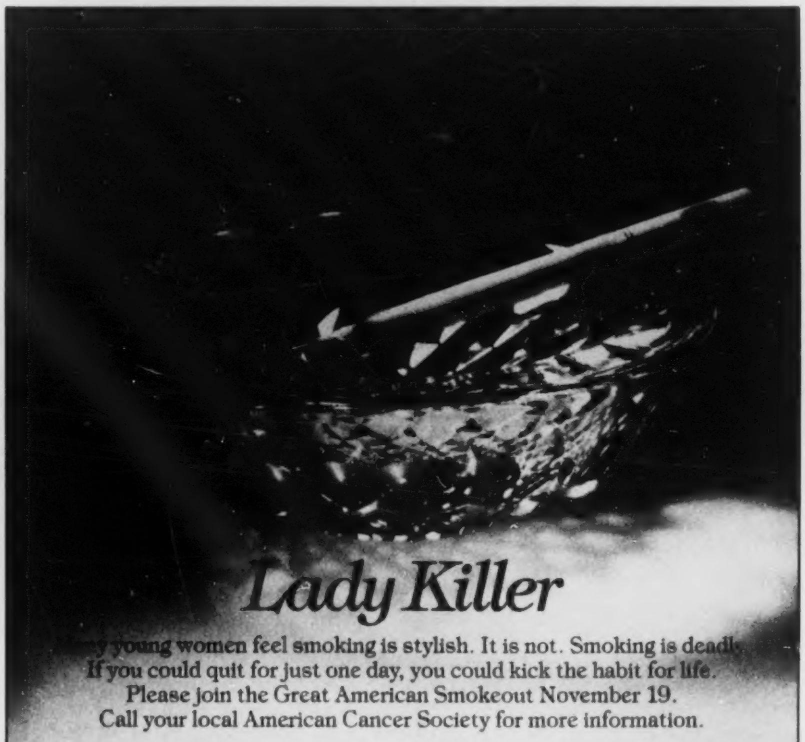
Women's books as well as *People* are used. A recent ad in *Redbook* had a summer theme presenting a tampon protective enough to wear with your bathing suit. Tv ads also may be found on *Scarecrow & Mrs. King* and the CBS Sunday night movie. FSIs are used in Sunday newspapers. Ogilvy & Mather handles the advertising.

LNA didn't break out figures for Kotex tampons.

DOUCHES

Massengill

This 75-year-old douche brand covers the feminine-deodorant market with a 50% market share. It went disposable


Lady Killer
Many young women feel smoking is stylish. It is not. Smoking is deadly.
If you could quit for just one day, you could kick the habit for life.
Please join the Great American Smokeout November 19.
Call your local American Cancer Society for more information.
Great American Smokeout/Nov. 19
AMERICAN CANCER SOCIETY®

According to
Scarborough's 1987 Newspaper
Audience Ratings Study:

73% of Columbus, Ohio . . .

MSA adults are covered by *The Sunday Dispatch* and 55% daily.

This means your advertising reaches more and more of the nearly 1,000,000 Columbus MSA adults.

Coverage in MSA	Total in Market	Percent Weekday	Reading Each Sunday
Employed	624,100	56	78
Working women	275,200	52	77
College graduates	170,500	68	84
Household income $35,000 up	344,900	60	86

Call National Advertising Manager Leonard Zane for more information and advertising assistance at (614) 461-5183; in Ohio toll free 1-800-282-0263.

The Columbus Dispatch

Morning & Sunday

Represented nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc. and Metropolitan Sunday Newspapers, Inc.

Source: Scarborough's 1987 Newspaper Audience Rating Study

MOVING? Send us your new address NOW

Our computer takes six to eight weeks to re-route your copies of MARKETING & MEDIA DECISIONS.
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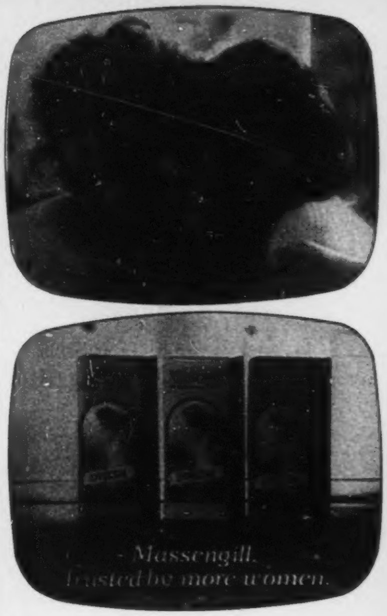

Massengill has a 50% share of the douche market.

in 1973, a year after Summer's Eve, which has a 35% share.

Beecham Products says it markets Massengill to all women, or more likely all menstruating women. Tv ads are in 30-second spots. Spot tv is often used to reach the growing Hispanic market, says a spokeswoman. Earlier this year, a heavy prime-time schedule included network movies, *Simon & Simon* and *Stingray* and also daytime soaps and game shows. Massengill also advertises in trade publications such as *Ob. Gyn. News*.

Major women's magazines also are used, as well as free-standing inserts, in-pack and on-pack couponing. Other promotions are sampling programs with gynecologists.

Massengill's products range from medicated and extra-mild vinegar-and-water douches to belle-mai (which is a baby-powder fragrance) and even mountain herbs and country flowers.

In 1986, LNA says that Massengill's $2.6 million in ad dollars were strictly in network tv, with a very small amount in spot. Grey is the agency.

Summer's Eve

The first disposable douche was actually a Fleet enema bottle with an attached probe. C.B. Fleet began marketing Summer's Eve in 1972 and advertised the product in women's

Give five.

What you get back is immeasurable.

Just five hours a week. Just 5% of your income. It's not much to give, to the causes you really care about. But that small investment could change somebody's life. And it's hard to imagine a better return than that.

INDEPENDENT SECTOR
Ad Council

books primarily until tv commercials were allowed.

Now, the $7 million to $8 million in ad dollars are showered on :15s and :30s on tv and aired in a schedule of "heavy" daytime, "good" prime time and most of cable (including the Nashville Network and Black Entertainment Television). Summer's Eve skews to a younger audience of women, 18 to 34. Print is used occasionally "when there is something we can't say on tv," explains Brian Duffy, president. He points out that tv is "still fairly restrictive. We try to present in good taste, but certain words are no-nos."

Summer's Eve also is promoted in two FSIs yearly. About two years ago, *Woman's Body, An Owner's Manual*, a 400-page book, was put out by Summer's Eve. There also has been personalized writing paper available in any of the colors in the Summer's Eve packaging. Their mixes are vinegar and water; medicated; post-menstrual; and fragrances of white flower, musk and herbs.

Summer's Eve has introduced a new "feminine wash," an external non-soap cleanser. The product has been advertised on tv this summer in daytime and prime-time slots, and also on cable tv and in women's books. Fleet will be dropping 47 million FSIs with 50-cent coupons nationally this month. More than four million samples are "floating around" in Summer's Eve twin packs that also contain coupons. They also will be marketing a two-ounce sample at the beginning of the year.

N W Ayer is the agency since it acquired Cunningham & Walsh, which had been Summer's Eve's agency since its inception. Ted Colangelo Associates, a Greenwich, Conn.-based division of DMB&B, does the sales promotion work.

DEODORANTS

FDS

FDS, a feminine spray deodorant by Alberto-Culver, came out in 1966 to "make women more confident in themselves," says the company.

Packaging of the spray, which comes in scents like baby powder and an extra-strength form, warns women that temperature, hormonal changes and stress make a body produce odors.

The 15-second tv ads of FDS earlier this year appeared only on daytime soaps and game shows on CBS and NBC. Print ads run solely in women's magazines. A recent ad in *Seventeen* also offered a free sample by mail.

LNA reports that last year about $2 million was spent on network tv first, with lesser amounts on cable tv, magazines and spot tv.

The FDS. Woman.
Always nice to be near.
FDS.
free sample.
FDS. Every, every day.

***FDS runs a free-sample ad in* Seventeen.**

Norforms

This vaginal-deodorant suppository has been around since the 1930s. More recently, C.B. Fleet purchased it from Procter & Gamble.

Norforms's ad budget is about $1 million. "It is an older product that has a smaller user base," explains Fleet president Brian Duffy. "We can maintain it with that kind of budgeting."

Advertising is strictly during daytime tv and on cable. The suppository may be advertised in 10-second spots at the end of game shows and in :15's on soap operas and game shows.

Norforms' agency was Cunningham & Walsh, but they recently switched to Earle Bower Associates, because "we thought [it] could do a better job as a smaller agency," says Duffy. Bower was the original account supervisor for Summer's Eve. Ted Colangelo Associates handles sales promotion.

LNA says Norforms had $725,000 in tv-ad expenditures last year. ■

ECONOMIC EYE

PAPERS PICK UP

The Newspaper Advertising Bureau reports ad expenditures hopped 10.2% for the first half of 1987. This is a considerable improvement on early projections. The gains break down as follows: retail, +8.1% to $7.1 billion; classified up a whopping 16.0% to $5.3 billion; and national up 3.0% to $1.8 million.

MAGAZINE AD SCORECARD	Ad Pages Aug. 1987	% change from Aug. 1986	Dollars spent (000)	% change from Aug. 1986
1. Skin Care, Creams, Lotions and Oils	124.21	+45.9%	$ 4,000.9	+95.9%
2. Lip and Eye Beauty Products	84.33	+56.7	3,171.8	+77.4
3. Scents and Fragrances	103.44	−10.9	3,098.6	−4.9
4. Facial Makeup Products	52.31	+13.0	2,066.2	+20.9
5. Prepared Dinners and Entrees (including Pizza)	27.77	+42.3	1,847.0	+67.5
6. Liquor	270.33	+5.5	11,244.5	+9.6
7. Cigarettes	616.56	+18.0	32,628.4	+11.6
8. Soaps and Detergents	68.44	+27.8	4,065.0	+21.1
9. Passenger Cars, Domestic	241.99	+99.9	12,119.8	+97.3
10. Passenger Cars, Imported	421.61	+87.6	15,629.3	+34.7

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

1985 = 100	1986				1987											
	Nov.	% change	Dec.	% change	Jan.	% change	Feb.	% change	Mar.	% change	Apr.	% change	May	% change	June	% change
Network TV																
Daytime	98	−2	85	−15	92	−9	86	−9	88	−8	92	−6	92	−6	95	−1
Nighttime	107	+7	109	+9	106	+0	105	+8	112	+7	99	+8	110	+6	112	+3
Spot TV																
Prime time	115	+15	116	+16	129	+7	133	+11	131	+13	–	–	–	–	–	–
Daytime	111	+11	105	+5	130	+5	108	−0	108	−0	–	–	–	–	–	–
Network radio	106	+6	101	+1	139	+14	130	+12	126	+11	116	+4	116	+2	114	−1
Spot radio	103	+3					101	+1					98	+3		
Consumer magazines	106	+6	107	+7	109	+4	109	+3	110	+4	109	+3	109	+3	109	+3
Natl. Sunday mags	94	−6	94	−6	103	+11	103	+11	103	+11	103	+11	103	+11	103	+7
Business publications	107	+7	107	+7	111	+5	111	+5	111	+5	111	+5	111	+5	111	+5
Newspapers	109	+9	109	+9	116	+8	116	+8	116	+8	116	+8	116	+8	116	+7
Outdoor	106	+6	106	+6	111	+6	111	+6	111	+6	114	+6	114	+6	114	+6

Notes: Percentage shown is relative change from the same month/period the year before.

1985 = 100

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

ASSESSING SINGLE-SOURCE

THE DOUBLE PLAY

Since the early 1960s when Norton Garfinkle gave birth to his Brand Rating Index, advertisers have increasingly relied upon "memory-based" syndicated sources to tell them what people were watching on television and buying at the supermarket. Today, however, changes in the marketing and media environment are fast making many of the old ways of thinking obsolete.

Fortunately, advertisers no longer need to rely on the consumers' faulty memory relative to what they said they looked at or purchased.

New "electronic" single-source data help us examine objectively the critical relationship between advertising/sales promotion and the actual sales at the cash register. It gets at the real reason why advertisers advertise.

Single-source data provides advertisers with new leverage in the marketplace. It can help them:

- Understand how ad delivery can influence consumer response.
- Understand the relationship between a brand's advertising exposure level and its sales or share level.
- Identify specific windows of opportunity that will make advertising work more productively.
- Develop low-risk strategies to maximize sales through more selective television buying.

In a nutshell, single-source data can move us from "cost per 1,000 warm bodies" to the more relevant measure of advertising impact — "sales response per 1,000 ad exposures."

In the past, scanner data have focused marketers' attention largely on the short-term gains derived from sales promotion. However, single-source data has double-edged potential. It can also help us to study the effects of longer-term brand-building advertising and media strategies.

Of course, what I'm talking about is change . . . and change is very disorienting. We need to rock our own boats and take a major push forward. Single-source data can help us do that.

Every marketer seeks to improve his advertising productivity and secure better measures of advertising effectiveness. This need has taken on a new urgency with rising promotion spending, a growing focus on local and regional advertising strategies, clutter, zapping and the jolting increases in network-television prices for 1987-88. An investment in single-source research can be a sound insurance policy that pays off in the marketplace.

Advertisers have traditionally looked to their agencies for strong counsel and guidance in all aspects of the advertising planning process. Today, however, the growth of single-source data has been largely client driven. Agencies had better move quickly into a leadership role in the use of single-source data by training staff in its use, developing programs to analyze the information and using their media planning and marketing-research operations to evaluate findings.

I am sure that all of us are familiar with the wisdom of that great financial marketing genius Willie Sutton, who when asked why he robbed banks replied, "That's where the money is!"

Why should advertisers seek out single-source media and product-purchase data? Because that's where the important answers may be!

Ron Kaatz is Associate Professor of Advertising at Northwestern University's Medill School of Journalism.

OUR READERS TELL US . . .

Research USA in Chicago polled a sampling of appropriate readers on the prospects for single-source research. It's obvious that, for them, the value of this concept is still to be determined. (Base = 114 unless otherwise specified.)

1. Single-source data is currently being used as a test-marketing tool but is being developed as a national tv-measurement system that incorporates a household's tv viewing into their product purchasing. How reliable do you think the results of single-source data are?

Very reliable	10.5%
Somewhat reliable	55.3%
Somewhat unreliable	30.7%
Very unreliable	3.5%
Other	

2. How is single-source data most valuable? (Check all answers that seem to apply)

Defining target audiences for marketers	58.8%
Copy and product acceptance in test marketing	43.9%
As a solution to respondent bias in the diaries or forgetting	21.9%
Defining the optimum television weight and scheduling for UPC-coded products	29.8%
Other	11.4%
No answer	2.6%

WALK, DON'T RUN

While I want to believe that an electronic data base that merges media habits with brand-purchase information will improve media planners' ability to "rifle" our target user group, I am *very* concerned that we may be rushing to greet this new child of technology without first giving sufficient thought to its limitations.

Rather than implying that the problems/limitations can be traced to deficiencies in the present system, I suggest we focus on a point in the future when all of the technical problems have been resolved. In this way, we can get a clearer picture of the role that single source *could* play in our media planning/execution process.

Assuming for the moment that a nationally projectable, single-panel, all-media, all-purchase, continuous data bank was available today in all of its glory, I would offer the following as a realistic appraisal of what we can and *cannot* expect the system to provide.

It can:

- Help us to better align our media target with the target group as identified in the brand's marketing plan.
- Tighten our media planning and buying target definition, thereby enabling us to minimize coverage of nonprospect groups.
- Give us a "measure" of sales/advertising responsiveness under controlled test-market conditions.

It can't:

- Provide us with a picture of the net effect (purchase-decision influence) of the other brand-marketing variables, i.e., price adjustments, distribution shifts, product modifications.
- Account for the marketing-mix impact of the competition, including all of the areas outlined above, plus changes in advertising pressure/spending levels.
- Provide us with a targeting tool for those many instances when demographic data must still be employed as the common denominator. These include, but are not limited to, such instances as when a brand, a) is "breaking" new category ground; b) has a highly concentrated user base or ranks low in the category (either situation could result in the data not being sufficiently stable for further statistical analysis); or c) chooses to target a nonuser group for potential conversion to the brand/category.

If your "take-away" at this point is that I'm opposed to the use of single source as a media planning/buying tool, you've misread my intent.

What I am suggesting instead is a carefully thought-out, prudent approach to use of the data in the context of *all* of the factors that contribute to the consumer's purchase decision. And to this end, I propose the following three adjustments:

Rather than utilizing brand level data, I would suggest instead that we consider collapsing the information into product category totals. Second, we need to maintain a base of user demographic-profile information. And finally, we must develop theories/constructs. All of this is but an exercise in advanced numbers manipulation unless at the same time we work to develop the underlying communication theories and marketing constructs against which to measure the contribution of the advertising in generating the final sale.

Stephen P. Phelps is a senior vice president, deputy director of media services at D'Arcy Masius Benton & Bowles in St. Louis.

3. Do you feel single-source data will be trendable and projectable?

Yes	**69.3%**
No	**27.2%**
No answer	**3.5%**

4. Do you think ScanAmerica's sample of 10,000 households will be large enough after it is divided by 500 product-purchasing groups?

Yes	**40.4%**
No	**55.2%**
No answer	**4.4%**

5. Do you think this will create new network-tv advertising categories?

Yes	**16.7%**
No	**74.6%**
No answer	**8.7%**

6. Are you thinking of incorporating single-source data into your media buying?

Yes	**36.8%**
No	**57.1%**
No answer	**6.1%**

If "Yes," how would you use it?

Complementary device to other research	**88.1%**
Sole research tool	**9.5%**
Other	**2.4%**

(Base = 42)

7. Do you think single-source data will change the structure of the marketing and media departments?

Yes	**30.7%**
No	**65.8%**
No answer	**3.5%**